

**HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
FEBRUARY 26, 2014
APPLICATION SUMMARY**

NAME OF PROJECT: Love Ones

PROJECT NUMBER: CN1309-033

ADDRESS 2502 Mount Moriah, Suite A-148
Memphis, (Shelby County), Tennessee 38115

LEGAL OWNER: Latonya Addison/Rodney James
8855 North Cortona Circle
Cordova (Shelby County), Tennessee 38018

OPERATING OWNER: not applicable

CONTACT PERSON: LaTonya Addison
LPN, Chief Officer
2502 Mount Moriah, Suite A-148
Memphis, (Shelby County), Tennessee 38115

DATE FILED: September 9, 2013

PROJECT COST: \$177,800.00

FINANCING: Commercial Loan

PURPOSE FOR FILING: Establishment of a home care organization and the
initiation of home health services

DESCRIPTION:

Love Ones is seeking approval to establish a home care organization and initiate home health services in Shelby, Fayette, and Tipton counties. The home office will be located at 2502 Mount Moriah, Suite A-148, Memphis (Shelby County), TN 38116.

SERVICE SPECIFIC CRITERIA AND STANDARD REVIEW

HOME HEALTH SERVICES

1. The need for home health agencies/services shall be determined on a county by county basis.
2. In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services in that county.

The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.

3. Using recognized population sources, projections for four years into the future will be used.
4. The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.

Based on the number of patients served by home health agencies in the service area, estimation will be made as to how many patients could be served in the future.

Following Steps 1-4 above the Department of Health report, which is based on 2013 data, indicates that 15,931 service area residents will need home health care in 2017; however, 20,526 patients are projected to be served in 2017 resulting in a net excess of (4,594).

It appears that this application does not meet the criterion.

5. Documentation from referral sources:
 - a. The applicant shall provide letter of intent from physicians and other referral sources pertaining to patient referral.

Beverly Jones, RN, ANCP-BC, DNP, Saint Francis Hospital, plans to refer 15-20 patients each month to Love Ones from the emergency department and cardiology office where she is employed. Laura Read Sprabery, MD, FACP, UT Medical Group, provides a letter of support, but does not provide a letter of intent pertaining to patient referral.

It appears this application partially meets this criterion.

- b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial year of operation.

The application projects the following types of cases by service category in Year One: Wound Care-20 patients; Tracheotomy Patients-5; Gastrostomy Tube Care-5; Diabetes-10; Congestive Heart Failure-5; Ventilator Management and Respiratory Care-4.

It appears that this criterion has been met.

- c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

Letters are provided from patients who are receiving home health services, but are searching for a home health provider that will provide a better quality of service.

It appears that this application does not meet the criterion.

- d. The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

Love Ones will provide services that are similar to existing home health agencies.

It appears that this application does not meet the criterion.

6. The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining service areas.
- a. The average cost per visit by service category shall be listed.
- b. The average cost per patient based upon the projected number of visits per patient shall be listed.

The applicant provides the following information on page 37 of the application. The cost per visit compared to thirty-three (33) existing home health agencies

currently serving the three (3) county service area appears to be consistent with those agencies' costs.

<i>Service</i>	<i>Applicant's Proposed Cost per Visit</i>
<i>Private Duty Aide</i>	<i>\$22.00 per hour</i>
<i>Home Health Nursing</i>	<i>\$84.00 per visit</i>
<i>Home Health Aide</i>	<i>\$46.00 per visit</i>
<i>Physical Therapy</i>	<i>\$103.00 per visit</i>
<i>Occupational Therapy</i>	<i>\$177.00 per visit</i>
<i>Speech Therapy</i>	<i>\$103.00 per visit</i>
<i>Medical Social Services</i>	<i>\$221.00 per visit</i>

The applicant projects to serve 49 patients in Year One. The applicant's projected average charge per patient will be \$10,100.

It appears that this criterion has been met.

Staff Summary

The following information is a summary of the original application and all supplemental responses. Any staff comments or notes, if applicable, will be in bold italics.

Love Ones plans to provide private duty and intermittent home health services. The focus will be on serving the TennCare population by providing Private Duty services, and Medicare HMO enrollees with home health services. Love Ones will also focus on patients with private payor sources who are having difficulty locating an agency who may service their needs.

Note to Agency Members: The applicant proposes to serve one TennCare private duty patient in Year One and Year Two. The applicant projects \$315,360 in revenue from TennCare for providing private duty care, or 63% of total projected gross revenue in Year One totaling \$494,920.

A Home Health Aide, Licensed Practical Nurse and Registered Nurse will provide direct patient care. A description of their duties is listed on pages 5-6 of Supplemental #3.

Need

Love Ones state there is a need for an additional home health agency in Fayette, Shelby and Tipton counties for the following reasons:

- Current home health agencies are not able to accommodate new patients
- There are several home health agencies that cannot take new patients because of a lack of nursing services
- Many home health agencies are understaffed
- Numerous patients in the proposed counties disapprove of their current home health services
- According to Medicare.gov, there have been recent reported cases of home health fraud

Love Ones contacted the Bureau of TennCare and TennCare contracted managed care organizations regarding the need for additional home health agencies in the proposed service area. The applicant reported the following responses:

- A Bluecare representative stated BlueCare, TennCare Select and Medicaid were accepting new providers who are in network
- A United Health Care Network Account Manager stated there is a need for more home health care providers to serve patients, however the

applicant must be Medicare certified to be able to contract with United Healthcare.

- A Bureau of TennCare representative stated "TennCare was trying to seek as many providers as possible due to the patients being limited on who they can see". **No written documentation or identifying information was obtained from the representative.**

An overview of the project is provided in Attachment B-1 (pages 5-10) of the 3rd supplemental response.

Ownership

Love Ones is owned by LaTonya Addison, LPN and Rodney James. Supplemental One indicates LaTonya Addison, LPN has four years of experience in working as a medical professional in home health. In addition, Rodney James has owned his own business for two years, and has worked in residential health settings since 2006.

Service Area Demographics

The service area of Love Ones will include Fayette, Shelby and Tipton counties.

- The total population of the service area is estimated at 1,044,054 residents in calendar year (CY) 2013 increasing by approximately 1.7% to 1,062,100 residents in CY 2017.
- The overall statewide population is projected to grow by 3.7% from 2013 to 2017.
- The 65 and older population will increase from 11.4% of the general population in 2013 to 13.1% in 2017. The statewide 65 and older population will increase from 14.5% in 2013 of the general population to 15.8% in 2017.
- The latest 2013 percentage of the service area population enrolled in the TennCare program is approximately 23.5%, as compared to the statewide enrollment proportion of 18.6%.

Source: The University of Tennessee Center for Business and Economic Research Population Projection Data Files 2013 Revision, Reassembled by the Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

Service Area Historical Utilization

The trend of home health patients served in the three (3) county proposed service area is presented in the table below:

	Number of Licensed Agencies (2012)	Number of Agencies that Served (2012)	2010 Home Health Patients	2011 Home Health Patients	2012 Home Health Patients	2010-2012 Percent Changed
Fayette	30	24	765	766	631	-17.52%
Shelby	28	27	18,253	18,220	18,398	0.79%
Tipton	29	22	1,282	1,288	1,067	-16.77%
Service Area Total	33*	30*	20,300	20,274	20,096	-1.00%

Source: 2010-2012 Home Health Joint Annual Report and DOH Licensure Applicable Listings

*Unduplicated Count

- The chart above demonstrates there has been a 1% decrease in home health patients served in the three county service area between 2010 and 2012.
- Shelby County experienced a .79% increase in home health patients served from 2010-2012
- Tipton and Fayette counties experienced a decrease in home health patients served from 2010-2012, -16.77% and -17.52%, respectively.

The following chart identifies each agency's market share (agency patients from service area/total service area patients) and patient origin (agency service area patients/agency total patients).

2012 Home Health Agency Service Market Share and Patient Origin

Licensed Agency	Agency Patients From Service Area	% Market Share	Total Patients Served	Service Area Dependence
Elk Valley Health Services Inc.	4	0.02%	245	1.63%
Home Care Solutions, Inc.	0	0.00%	2,080	0.00%
NHC Homecare	118	0.59%	217	54.38%
Where The Heart Is	271	1.35%	271	100.00%
Regional Home Care - Lexington	0	0.00%	616	0.00%
Amedisys Home Health Care	0	0.00%	2,586	0.00%
Extendicare Home Health of West Tennessee	106	0.53%	993	10.67%
Intrepid USA Healthcare Services	5	0.02%	86	5.81%
Regional Home Care - Jackson	33	0.16%	1,061	3.11%
Accredo Health Group, Inc.	14	0.07%	14	100.00%
Alere Women's and Children's Health LLC	360	1.79%	401	89.78%
Amedisys Home Care	938	4.67%	938	100.00%
Amedisys Home Health Care	683	3.40%	683	100.00%
Amedisys Tennessee, LLC	1,806	8.99%	1,806	100.00%
Americare Home Health Agency, Inc.	1,727	8.59%	1,727	100.00%
Baptist Trinity Home Care	3,367	16.75%	3,367	100.00%
Baptist Trinity Home Care - Private Pay	1	0.00%	1	100.00%
Best Nurses, Inc.	366	1.82%	366	100.00%
Extended Health Care, Inc.	316	1.57%	341	92.67%
Family Home Health Agency	863	4.29%	863	100.00%
Functional Independence Home Care, Inc.	804	4.00%	804	100.00%
Home Health Care of West Tennessee, Inc.	1,071	5.33%	1,118	95.80%
Homechoice Health Services	876	4.36%	1,788	48.99%
Interim Healthcare of Memphis, Inc.	889	4.42%	889	100.00%
Intrepid USA Healthcare Services	615	3.06%	615	100.00%
Maxim Healthcare Services, Inc.	150	0.75%	197	76.14%
Meritan, Inc. (Senior Services Home Health)	697	3.47%	697	100.00%
Methodist Alliance Home Care	2,939	14.62%	3,180	92.42%
No Place Like Home, Inc.	55	0.27%	55	100.00%
Still Waters Home Health Agency	127	0.63%	127	100.00%
Willowbrook Visiting Nurse Association	510	2.54%	533	95.68%
Baptist Home Care & Hospice - Covington	299	1.49%	361	82.83%
Careall Homecare Services	86	0.43%	1,103	7.80%
Service Area Total	20,096			

Source: 2012 Joint Annual Report

The chart above reveals the following market share information and patient origin information:

- Even though there are thirty-two (32) home health agencies that are licensed in the service area, only two (2) agencies had market share in excess of 10%: Baptist Trinity Home Care (16.75%) and Methodist Alliance Home Care (14.62%). These two agencies accounted for over 31% of the market share. Three other agencies

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had market share in the 5%-10% range: Home Health Care of West Tennessee, Inc. (5.33%), Americare Home Health Agency, Inc. (8.59%), and Amedisys Tennessee, LLC (8.99%).

- Of the thirty-two (32) licensed home health agencies there were nineteen (19) agencies whose dependence on patients from the three county service area were greater than 90%.

Project Cost

- Building Lease Cost-\$69,360
- Other Cost (office equipment, insurance, licensure, advertising, etc.) -\$105,440
- CON Filing Fee- \$3,000

Projected Utilization

A total of 1,497 patient visits is projected in Year One (2014) and 2,527 visits in Year Two (2015) for Love Ones. One private duty patient will be served in Year One and Year Two. The following chart reflects projected utilization by county.

County	Total Patients	Intermittent Patients	Intermittent Visits	Private Duty Patients	Private Duty Hours
Fayette	7	7	220	0	0
Shelby	33	33	995	1	8,760
Tipton	9	9	282	0	0
	49	49	1,497	1	8,760

Historical Data Chart

- Since this is a new service, there is no historical data chart.

Projected Data Chart

The Projected Data Chart for Love Ones reflects \$494,920.00 in total gross revenue on 1,497 patient visits during the first year of operation and \$618,650 on 2,527 patient visits in Year Two (approximately \$245.00 per patient visit). The Projected Data Chart reflects the following:

- Net operating income less capital expenditures for the applicant will equal \$13,044 in Year One increasing to \$22,499 in Year Two.
- Net operating revenue after bad debt, charity care, and contractual adjustments is expected to reach \$532,080 or approximately 86% of total gross revenue in Year Two.

- Charity care at approximately 3% of total gross revenue in Year One; increasing to 4.8% in Year Two, equaling to \$6,000 and \$7,000, respectively.
- Charity Care calculates to 45 patient visits (1.5 patients) per year in Year One, increasing to 121 patient visits (4.7 patients) per year in Year Two.

Charges

In Year One of the proposed project, the average charge per case is as follows:

- The proposed average gross charge is \$331.00/patient visit
- The average deduction is \$47/patient visit, producing an average net charge of \$284/patient visit.

Medicare/TennCare Payor Mix

- TennCare- Charges will equal \$207,867 in Year One representing 42% of total gross revenue.
- Medicare- Charges will equal \$138,578 in Year One representing 28% of total gross revenue

Financing

The applicant plans to fund the project through a commercial loan. An October 30, 2013 letter from Donald K. Hall, of Wells Fargo, indicates their interest in providing a 30 year loan of \$174,000 with an interest rate of 4.25% to Love Ones.

Staffing

The proposed Love Ones direct care staffing in Year One including the following:

- 1.0 full-time registered nurse and
- 1.0 full-time Licensed Practical Nurse
- 1.0 part-time Certified Nursing

Love Ones has allocated \$80,000 for additional staff and nurses depending on workload.

Licensure/Accreditation

- If approved, Love Ones will seek licensure from the Tennessee Department of Health and accreditation from The Joint Commission

Corporate documentation, real estate lease, and detailed demographic information are on file at the Agency office and will be available at the Agency meeting.

Should the Agency vote to approve this project, the CON would expire in **two** years.

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT

There are no other Letters of Intent, denied or pending applications, or outstanding Certificates of Need for this applicant.

CERTIFICATE OF NEED INFORMATION FOR OTHER SERVICE AREA FACILITIES:

There are no Letters of Intent or denied applications for other health care organizations in the service area proposing this type of service.

Pending Application:

Professional Home Health Care, d/b/a CareAll Homecare Home Care Services, CN1312-049, has a pending application scheduled to be heard under the Consent Calendar during the February 26, 2014 Agency meeting. The application is for the relocation of the home health agency's parent office from 901 Highway 51 South, Covington (Tipton County) to 1151 Tammell Street, Brownsville (Haywood County), TN. The service area is Benton, Carroll, Chester, Crockett, Decatur, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Lauderdale, McNairy, Madison, Obion, Tipton and Weakley counties. The estimated project cost is **\$59,300**.

Outstanding Certificates of Need:

Hemophilia Preferred Care of Memphis, CN1202-002, has an outstanding certificate of need that will expire on August 1, 2014. The CON was approved at the June 27, 2012 agency meeting for the establishment of a home health agency and the initiation of home health services limited to patients suffering from hemophilia or similar blood disorders who are patients of the pharmacy operated by Hemophilia Preferred Care of Memphis. The estimated project cost is **\$43,000**. *Project Status: Initial licensure survey has been conducted, awaiting issuance of license from the Tennessee Department of Health.*

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

PME 2/2/2014

LETTER OF INTENT



SEP 9 '13 PM 1:11

LETTER OF INTENT TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Commercial Appeal which is a newspaper of general circulation in Shelby, Fayette, Tipton Tennessee, on or before September 10, 2013 for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency.

Love Ones NA
(Name of Applicant) (Facility Type-Existing)
owned by: Latonya Addison / Rodney James with an ownership type of Limited liability company
and to be managed by: owners intends to file an application for a Certificate of Need for [PROJECT DESCRIPTION BEGINS HERE]:

Establishment of a home care organization and the initiation of home health services in Shelby, Fayette, and Tipton counties. Home office will be located at 2602 Mount Monah Suite A-148, Memphis TN 38116. Project cost \$177,800.

The anticipated date of filing the application is: September 13, 2013
The contact person for this project is Latonya Addison LAN/ chief officer
(Contact Name) (Title)
who may be reached at: Love Ones 2602 Mount Monah Suite A-148
(Company Name) (Address)
Memphis TN 38116 901-282-9124
(City) (State) (Zip Code) (Area Code - Phone Number)
Latonya Addison 9-5-13 15homecare@gmail.com
(Signature) (Date) (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

COPY-
Application

Love Ones

CN1309-033

1. **Name of Facility, Agency, or Institution**

Love Ones

Name

2502 Mount Moriah Suite A-148

Street or Route

Memphis

City

TN

State

Shelby

County

38115

Zip Code

2. **Contact Person Available for Responses to Questions**

LaTonya Addison

Name

Love Ones

Company Name

2502 Mount Moriah Suite A-148

Street or Route

Chief Officer

Association with Owner

Memphis

City

901-282-9124

Phone Number

LPN, Chief Officer

Title

l1shomecare@gmail.com

Email address

TN

State

38115

Zip Code

Fax Number

3. **Owner of the Facility, Agency or Institution**

LaTonya Addison/Rodney James

Name

8855 North Cortona Circle

Street or Route

Cordova

City

TN

State

901-282-9124

Phone Number

Shelby

County

38018

Zip Code

4. **Type of Ownership of Control (Check One)**

A. Sole Proprietorship

B. Partnership

C. Limited Partnership

D. Corporation (For Profit)

E. Corporation (Not-for-Profit)

F. Government (State of TN or
Political Subdivision)

G. Joint Venture

H. Limited Liability Company

I. Other (Specify)

✓

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

November 15, 2013

2:10pm

5. **Name of Management/Operating Entity (If Applicable)**

N/A		
Name		
Street or Route		County
City	State	Zip Code

**PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

6. **Legal Interest in the Site of the Institution (Check One)**

- | | | | |
|--|--------------------------|--------------------|-------------------------------------|
| A. Ownership | <input type="checkbox"/> | D. Option to Lease | <input checked="" type="checkbox"/> |
| B. Option to Purchase | <input type="checkbox"/> | E. Other (Specify) | <input type="checkbox"/> |
| C. Lease of <input type="text"/> Years | <input type="checkbox"/> | | |

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.**

7. **Type of Institution (Check as appropriate--more than one response may apply)**

- | | | | |
|--|-------------------------------------|---|--------------------------|
| A. Hospital (Specify) <input type="text"/> | <input type="checkbox"/> | I. Nursing Home | <input type="checkbox"/> |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty | <input type="checkbox"/> | J. Outpatient Diagnostic Center | <input type="checkbox"/> |
| C. ASTC, Single Specialty | <input type="checkbox"/> | K. Recuperation Center | <input type="checkbox"/> |
| D. Home Health Agency | <input checked="" type="checkbox"/> | L. Rehabilitation Facility | <input type="checkbox"/> |
| E. Hospice | <input type="checkbox"/> | M. Residential Hospice | <input type="checkbox"/> |
| F. Mental Health Hospital | <input type="checkbox"/> | N. Non-Residential Methadone Facility | <input type="checkbox"/> |
| G. Mental Health Residential Treatment Facility | <input type="checkbox"/> | O. Birthing Center | <input type="checkbox"/> |
| H. Mental Retardation Institutional Habilitation Facility (ICF/MR) | <input type="checkbox"/> | P. Other Outpatient Facility (Specify) <input type="text"/> | <input type="checkbox"/> |
| | | Q. Other (Specify) <input type="text"/> | <input type="checkbox"/> |

8. **Purpose of Review (Check) as appropriate--more than one response may apply)**

- | | | | |
|---|-------------------------------------|---|--------------------------|
| A. New Institution | <input checked="" type="checkbox"/> | G. Change in Bed Complement [Please note the type of change by underlining the appropriate response: Increase, Decrease, Designation, Distribution, Conversion, Relocation] | <input type="checkbox"/> |
| B. Replacement/Existing Facility | <input type="checkbox"/> | H. Change of Location | <input type="checkbox"/> |
| C. Modification/Existing Facility | <input type="checkbox"/> | I. Other (Specify) | <input type="checkbox"/> |
| D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify) <input type="text"/> | <input type="checkbox"/> | | |
| E. Discontinuance of OB Services | <input type="checkbox"/> | | |
| F. Acquisition of Equipment | <input type="checkbox"/> | | |

9. **Bed Complement Data** *N/A*
Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Beds</u> <u>Licensed</u>	<u>*CON</u>	<u>Staffed</u> <u>Beds</u>	<u>Beds</u> <u>Proposed</u>	<u>TOTAL</u> <u>Beds at</u> <u>Completion</u>
A. Medical	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
B. Surgical	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
C. Long-Term Care Hospital	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
D. Obstetrical	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
E. ICU/CCU	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
F. Neonatal	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
G. Pediatric	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
H. Adult Psychiatric	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
I. Geriatric Psychiatric	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
J. Child/Adolescent Psychiatric	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
K. Rehabilitation	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
L. Nursing Facility (non-Medicaid Certified)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
M. Nursing Facility Level 1 (Medicaid only)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
N. Nursing Facility Level 2 (Medicare only)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
O. Nursing Facility Level 2 (dually certified Medicaid/Medicare)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
P. ICF/MR	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Q. Adult Chemical Dependency	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
R. Child and Adolescent Chemical Dependency	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
S. Swing Beds	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
T. Mental Health Residential Treatment	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
U. Residential Hospice	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
TOTAL	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

*CON-Beds approved but not yet in service

10. **Medicare Provider Number**
Certification Type

11. **Medicaid Provider Number**
Certification Type

12. **If this is a new facility, will certification be sought for Medicare and/or Medicaid?**

13. **Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants?** **If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.**

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

12. If this is a new facility, will certification be sought for Medicare and/or Medicaid?

Love Ones will obtain certification for both Medicare and Medicaid. The 9 step check list for seeking Medicare certification has been reviewed by the applicant and all cost has been accounted for on the Projected Data Chart. All information for the certification has been reviewed including the submittal and acceptance of the 855A form by Centers for Medicare and Medicaid Services (CMS).

13. Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area.

MCOs: BlueCare, United Healthcare, TennCare Select.

Will this project involve the treatment of TennCare participants? Yes

If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.

Love Ones plans to contract with BlueCare, TennCare Select and United Healthcare.

Discuss any out of network relationships in place with MCOs/BHOs in the area.

N/A.

NOTE:

Section B is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. **Section C** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of

Health Care. **Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.**

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

- I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

Project Description

CON approval sought to establish a home health agency to provide services in Shelby, Fayette and Tipton Counties. Home health services will be provided by an appropriately licensed health care professional in accordance with orders from a physician. (SN) Represents the terminology "Skilled Nursing" in the proposed project. An (LPN) licensed practical nurse will provide direct skilled patient care to include but not limited to: medication administration and management, management of a ventilator dependent patient and their equipment, complete catherizations and manage care of the catheter to prevent infection, wound care to include wound vac therapy, diabetes management and education, complete GTube/Mickey Button and GJtube feedings and manage care of the stoma site, management of tracheostomy to include (suctioning, trach care and trach changes) manage of IV therapy and teach/train the recipient and their families on how to manage treatment regimen. The (RN) registered nurses duties will include but are not limited to the following: make the initial evaluation visit, regularly evaluate the patient's nursing needs; initiate

the plan of care and necessary revisions; provide those services requiring substantial specialized nursing skill; initiate appropriate preventive and rehabilitative nursing procedures; prepare clinical and progress notes; coordinate services; inform the physician and other personnel of changes in the patient's condition and needs; counsel the patient and family in meeting nursing and related needs; participate in in-service programs; supervise and teach other nursing personnel. The registered nurse or appropriate agency staff shall initially and periodically evaluate drug interactions, duplicative drug therapy and non-compliance to drug therapy. The (HHA) Home Health Aide duties may include the personal care, ambulation and exercises, household services essential to health care at home, assistance with medications that are ordinarily self-administered, reporting changes in the patient's condition and needs to the LPN or RN, record vital signs and completing appropriate records. Love Ones will meet the home health administrator criteria by employing an administrator with extensive experience in home health whom will be responsible for the day to day operation of the organization. The administrator will organize and direct the organizations ongoing functions, the professional personnel and staff, employ qualified personnel, ensure adequate staff education and evaluate all personnel involved in direct patient care. Resume for the administrator is attached as Section B, Project Description, Item 1(B).

Ownership

Love Ones Home Health Care Agency (LOHHA) is owned by LaTonya Addison and Rodney James. Documentation verifying the type of ownership from the Tennessee Secretary of State has been submitted. Refer to attachment Section A, Applicant Profile, Item 3. Love Ones will operate as a for profit business. Each member will receive 33% of profit; the remainder will be allocated to the business for future growth, charity patient cases, and

profit sharing with employees.

Service Area

If this application is approved the service areas will consist of Shelby, Tipton and Fayette Counties. Love Ones will provide services to Shelby, Fayette and Tipton counties from our parent location in Memphis by employing qualified staff that will travel via car to patient's homes daily. Love Ones will compensate each employee mileage weekly and hold case conference meetings three times a week to effectively report, coordinate and evaluate patient's care. According to the JAR each year the USE Rate has always been significantly higher than the projected Need. The 2012 Jar Final shows in Shelby County alone that the Use rate for 2012 were 0.0196. This calculation is .0046 more of the population than projected. Projection for future years in Shelby County alone for 2016 is a population of 949,178 with a projected use rate of .015. According to the JAR for, 2010- 2011- 2012, the actual use rate has never fallen under .0193 percent of the population. If you take into accountability the last reported percent of the populations use rate from the last 3 years of the JAR, and calculate it with the purposed population of 2016 (949178) it gives you a surplus of 27 patients higher than the projected capacity.

Need

Love Ones will focus primarily on the underserved. Love Ones will especially focus on serving the TennCare population by providing Private Duty services and services to Medicare who are enrollee

of Medicare HMOs. Love Ones will also focus on the patients with private payor sources who can't find an agency to service their needs. Love Ones will not deny services to patients based on their inability to pay. According to the Department of Health Joint Annual Report, only (10) licensed agencies are reporting charity care. These agencies are servicing Fayette, Shelby and Tipton Counties. Current HHA are looking to expand but will not be able to accommodate new patients that are needed to be seen. As a current LPN in the work force Mrs. Latonya Addison have worked for several home health agencies that has not been able to take in new patient due to the void in nursing services. Many of these agencies that Mrs. Addison has worked for have been under staffed for the overload of patients. Love Ones owners have spoken with numerous patients in the purposed counties and many disapproves of their current services. There have been recently reported cases of fraud reported and investigations open for numerous HHA for reporting visits that were not actually completed according to Medicare. gov. No charts could be found to support the information only information posted to the websites.

Existing Resources

According to the Department of Health Annual Joint Report, currently there are 30 licensed agencies servicing Fayette County, 28 servicing Shelby county and 29 licensed to serve Tipton County. Due to the growing population in Shelby County of almost one million people it is estimated that the 28 licensed agencies that are reporting in the Joint Annual Report will not be able to serve the growing number of home health care and private duty patients. The use rate of the population will continue to grow due to increase in the number of patients obtaining medical coverage. According to the JAR each year the USE Rate has always been

significantly higher than the projected Need. The 2012 Jar Final shows in Shelby County alone that the Use rate for 2012 were 0.0196. This calculation is .0046 more of the population than projected. Projection for future years in Shelby County alone for 2016 is a population of 949,178 with a projected use rate of .015. According to the JAR for, 2010-2011- 2012, the actual use rate has never fallen under .0193 percent of the population. If you take into accountability the last reported percent of the populations use rate from the last 3 years of the JAR, and calculate it with the purposed population of 2016 (949178) it gives you a surplus of 27 patients higher than the projected capacity. Current HHA are always looking to expand but will not be able to accommodate new patients that are needed to be seen. As a current LPN in the work force Mrs. Latonya Addison have worked for several home health agencies that has not been able to take in new patient due to the void in nursing services. Many of these agencies that Mrs. Addison has worked for have been under staffed for the overload of patients. Love Ones owners have spoken with numerous patients in the purposed counties and many disapproves of their current services. There have been recently reported cases of fraud reported and investigations open for numerous HHA for reporting visits that were not actually completed according to Medicare. gov. No charts could be found to support the information only information posted to the websites.

Project Cost

The project cost is as reflected in the Project Cost Chart. The building that Love Ones will be operating from will be leased from Hackmeyer Realty. A fully executed option to lease letter has been signed by all parties, refer to attachment Section C, Applicant Profile, Item 6. The

majority of cost will come from labor, leasing the building and medical supplies.

Funding

100% of all funding will be obtained through loans from financial institutions.

Financial Feasibility

Financial feasibility will be projected to be ensured in Year 1. The utilization rates reflected on the Projected Data Chart show sufficient evidence of cost effectiveness. The three proposed counties will reflect a positive net operating income at the end of the first operating year. Love Ones will utilize ME Accounting Services whom has experience in billing home health charges for Medicare and TennCare.

Staffing

Love Ones will utilize one of its owners who is currently certified and licensed to practice as a Licensed Practical Nurse FT along with (1)FT Registered Nurse (1) PT Certified Nursing Assistant and a FT Marketing Coordinator. Additional Funds have been averaged into the salaries for additional nurses as the business grows.

- II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.
- A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. §68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project. If the project involves none of the above, describe the development of the proposal.

No construction, renovation or modification will be required for this project. No major medical equipment will be involved in this project. The parent office of Love Ones is housed in a building

N/A

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owned by Hackmeyer Properties located at 2502 Mount Moriah Suite A-148, Memphis, Tennessee. The office has approximately 1728 square foot of space.

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocation and describe the impact the bed change will have on the existing services.

N/A

c. As the applicant, describe your need to provide the following health care services (if applicable to this application):

Home Health Services

According to the Joint Annual Report, the three proposed service areas served 20,109 patients combined. According to the Tennessee Department of Health, Shelby County has the largest population (940,766) and the least amount of licensed agencies (28). These statistics show that there is a need for Love Ones Services. Based on the licensed agencies in the proposed areas, 30 serving Fayette county, 16 of those served TennCare recipients, 13 served Medicare HMO recipients, of the 28 agencies in Shelby county, 14 served TennCare and 11 served Medicare HMO recipients, and 29 licensed to serve in tipton and only 15 served TennCare patients and 12 served Medicare HMO patients. This shows a significant need for Love Ones to provide needed services to TennCare and Medicare HMO recipients. The applicant has reviewed the appropriate documents from the Tennessee Department of Finance and Administration Bureau of TennCare. The applicant understands that obtaining Medicare certification for participation as a TennCare provider does not obligate the managed

care organization to contract with the agency.

In addition, there are significant numbers of patients who due presumably to their payor source, find it difficult to find an existing agency to serve them. The applicant has been told by many families and medical professionals that an additional home health agency is needed. Due to the growing population in the three proposed counties it is vital that the patients be subjected to quality care. Each patient will be accepted by Love Ones with the expectation of meeting their medical and psychosocial needs. Each patients care will follow a plan of care established by the organizations registered nurse which will be reviewed by a physician. The written plan of care will cover all pertinent diagnoses, types of services and equipment required, frequency of services, the patients functional limitations, medication and treatments required, and cover all safety measures to protect against injury. Each patient admitted to Love Ones agency will be under the supervision of a physician with a license in good standing. One of the leaders for Love Ones understands from her 4 years of experience in healthcare as a licensed professional, there are significant numbers of patients who suffer due to their lack of benefits with their payer source and their inability to find an existing agency to serve them. Based on the number of patients served in the proposed counties, Love Ones services in these areas are greatly needed. The applicant will seek certification from Medicare and TennCare and will provide all home health services as needed. Part owner LaTonya Addison spoke with a TennCare representative concerning seeking TennCare certification and the need for new TennCare providers due to the current enrollees not having many choices on who they can obtain care from was told that they are trying to get as many people as possible due to the patients being limited that are currently enrolled. Spoke with a United HealthCare representative (Meggie Tryon) concerning

obtaining credentialing and the need for more participants was told that Medicare Certification must be obtained prior to seeking credentialing with them. The applicant reviewed Managed Care Organizations that TennCare services are offered through and contacted the Provider Relations hotline for BlueCare. Part-owner LaTonya Addison spoke with Kotrecia Sims (Network Interface Specialist) 11/8/13 whom stated that new providers are being accepted to provide home health services to patients. Documentation has been submitted from Ms Sims via Email. Upon calling several numbers listed as MCO's for TennCare, the applicant spoke with the same representative (Kotrecia Sims) whom stated that BlueCare/TN Care Select/BCBS/ and Medicaid were all accepting new providers whom are in network. Meggie Tyron (Network Account Manager) for United Health Care stated that there is a need for more home health care providers to serve patients however the applicant must be MediCare certified to be able to contract with United HealthCare. No Written documentation could be obtained from the TennCare representative. In this discussion the representative explained that, "TennCare was trying to seek as many providers as possible due to the patients being limited on who they can see." No information was obtained from the representative such as: Name or position. Applicant spoke with the TennCare Representative on 7-11-13. Based on experience as a licensed professional, the greatest need is for services for TennCare and Medicare HMO patients. Love Ones will have a SN that works closely with the administrator to ensure quality of care is being implemented. The nurse and administrator will review all services provided by the organization to determine their appropriateness and effectiveness. The qualified staff will identify and correct deficiencies which undermine quality of care, evaluate the agency policies and when necessary make recommendations on changes needed to assure high standards of patient care, make critical

judgments regarding quality and quantity of care through self examination. Part owner LaTonya Addison has four years experience in working as a medical professional in home health. She has not only learned the medical aspect of the business but also the business aspect as well. LaTonya made herself knowledgeable of the business by attending small business startup classes, attending conferences, and sitting in on annual meetings concerning home health. LaTonya worked in group home settings, completed home visits and worked private duty nursing. Rodney James is part owner of Love Ones and has owned his own business for two years which will help with the daily management of business operations. In addition he has worked in residential health settings since 2006. During this time he helped develop individual support plans, managed staff and successfully audited medical records. The Home health Agencies in Tennessee Number of Patients served by Payer shows a major lack in several areas such as: Private Pay, TennCare and some Medicare HMO patient payers. Love Ones understands the need for all pay sources and intends to focus on these payers as a source of revenue and to build numerous opportunities for these patients to have care. Over 33 percent alone showed 0 in Tennessee number of Patients Served by Payers under Private Care.

D. Describe the need to change location or replace an existing facility.

N/A.

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

N/A

1. For fixed-site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 1. Total cost ;(As defined by Agency Rule).
 2. Expected useful life;
 3. List of clinical applications to be provided; and
 4. Documentation of FDA approval.
 - b. Provide current and proposed schedules of operations.
2. For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost.
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.

14. Indicate applicant's legal interest in equipment (*Le.*, purchase, lease etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

N/A

III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which must include:

1. Size of site (*in acres*);
2. Location of structure on the site; and
3. Location of the proposed construction.
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

A plot plan is attached as Attachment B, III (A).

(B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

N/A. Home Health Services are provided in the patients place of residence. Patients will not come to the site of the office to receive services.

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x11" sheet of white paper.

NOTE: DO NOT SUBMIT BLUEPRINTS. Simple line drawings should be submitted and need not be drawn to scale.

A floor plan for the office space is attached as Attachment B, IV.

V. For a Home Health Agency or Hospice, identify:

1. Existing service area by County;

N/A.

2. Proposed service area by County;

Shelby, Fayette and Tipton Counties.

3. A parent or primary service provider;

Love Ones Home Health Agency has no parent company or primary service provider.

4. Existing branches; and

None.

5. Proposed branches.

None at this time. A branch office may be opened at a later time if need arises.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide

underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

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QUESTIONS

I NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.

Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

Tennessee Code Annotated Section 68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/finance/healthplanning/>). The State Health Plan guides the state in the development of health care programs and policies and in the allocation of health care resources in the state, including the Certificate of Need program. The 5 Principles for Achieving Better Health form the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Please discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan. Each Principle is listed below with example questions to help the applicant in its thinking.

1. The purpose of the State Health Plan is to improve the health of Tennesseans.

a. How will this proposal protect, promote, and improve the health of Tennesseans over time.

1 a. The proposal of Love Ones will protect, promote and improve

the health of Tennesseans by providing safe, quality and efficient care. Love Ones will improve the quality of life for each patient served by ensuring that all of their needs are met medically and psychologically. The agency will promote safety by implementing a home safety plan, promote medication management and adherence for patients who are taking several medications and are subject to medication errors. Love Ones staff will provide patients with accurate information to educate them about their medications and to monitor medication regimens. Implement a fall prevention program, 24 hour on call nursing coverage, disease management and special support services to prevent unplanned hospitalizations.

- b. What health outcomes will be impacted and how will the applicant measure improvement in health outcomes?

1b. Love Ones will help individuals improve function for patients that have been injured as a result of a motor vehicle accident and will require physical therapy in order to ambulate effectively, live with greater independence (those who may require occupational therapy to complete activities of daily living post cerebral vascular accidents), promote optimal levels of well being, and avoid hospitalizations and admissions to long term care facilities. Patients will be educated on how to prevent exacerbations of disease processes. The effectiveness of the interventions will be measured on if the patient was hospitalized during a certification period. Love Ones will use PROMs (patient reported outcome measures) to calculate the health gains before and after homehealth.

- c. How does the applicant intend to act upon available data to measure its contribution to improving health outcomes?

1c. Love Ones will utilize best practice intervention tools to

ensure that all patients needs are met. Utilize quality control surveys to all patients whom have received services from the agency.

2. Every citizen should have reasonable access to health care.

a. How will this proposal improve access to health care? You may want to consider geographic, insurance, use of technology, and disparity issues (including income disparity), among others.

2a. Love Ones will set aside a portion of profit for patients whom insurance does not cover home health care and are below poverty level. Provide patients with information about physicians who make house calls, provide social services for those who don't have reliable transportation to get to the doctor. Inform patients on ways to qualify for insurance. Love Ones will provide all health care needs to patients in their homes to ensure that they remain independent.

a. How will this proposal improve information provided to patients and referring physicians?

2b. Love Ones will set aside a portion of profit for patients whom insurance does not cover home health care and are below poverty level. Provide patients with information about physicians who make house calls, provide social services for those who don't have reliable transportation to get to the doctor. Inform patients on ways to qualify for insurance. Love Ones will provide all health care needs to patients in their homes to ensure that they remain independent.

b. How does the applicant work to improve health literacy among its patient population, including

communications between patients and providers?

2c. Love Ones will educate the patients on disease processes in a way that they can understand and ensure their comfort by making them aware that a 24 hour nurse is available for any questions, concerns or problems that they may have. Love Ones will keep the patients involved in their care by making them aware of physicians recommendations. Improve health by consulting with the physician daily on patients care.

3. The State's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies, and the continued development of the State's health care system.

a. How will this proposal lower the cost of health care?

3a. Love Ones will offer services at a competitive price range and only implement services that are needed and will benefit the patient.

b. How will this proposal encourage economic efficiencies?

3b. Love Ones will provide economic efficiency by providing patients with the lowest possible cost. All resources will be allocated to serve patients in the best way possible.

c. What information will be made available to the community that will encourage a competitive market for health care services?

3c. Love Ones will make information to the community available by educating the patient on issues that affect their health, such as diabetes, and HTN. Education and interventions will be provided to the patients to prevent frequent hospitalizations. Love Ones will ensure quality and

prevent over delivery of services and provide accurate information to the Joint Annual Report that can be reviewed by the public.

4. Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers.

a. How will this proposal help health care providers adhere to professional standards?

4a. Love Ones will hire highly skilled professionals to provide care that exceeds health care standards. Ensure that all providers are involved in the patients care, and following protocols provided by the state. Help providers by coordinating care and providing them with daily reports on changes in patient's conditions and report unethical practices. Love Ones will ensure that all providers carry out all responsibilities in a manner consistent with quality of care and the ethical obligations of the profession.

b. How will this proposal encourage continued improvement in the quality of care provided by the health care workforce?

4b. Love Ones will encourage continued improvement by ensuring that all medical professionals are highly skilled, and that they are provided with monthly in-services to keep their skills highly maintained. Provide physicians with correct information so that they may make a informed decision regarding the patients care. By providing quality care to all patients, educating them on disease processes, how to self manage care, interventions to avoid exacerbations, and involving families so that they may be knowledgeable and can intervene in emergency situations.

5. The state should support the development, recruitment, and retention of a sufficient and quality health care workforce.*

a. How will this proposal provide employment opportunities for the health care workforce?

5a. Love Ones will provide employment opportunities for health care workers who have a current license with the state of tennessee, that are highly skilled, and capable of providing quality care for the proposed counties. With expansion of Love Ones, there will be more job opportunities for the health care field.

b. How will this proposal complement the existing Service Area workforce?

5b. This proposal will complement the existing service area workforce by providing jobs to those who have a strong desire to care for others. Love Ones believe in providing care that exceeds the expectations of the community.

Existing Licensed HHAS & Their Utilization serving the 3-County Declared Service Area

Name of Agency	Agency (license #)	County of Parent Office	Date Licensed	Total Counties authorized in license (# counties in PSA) *	2010 JAR Total patients served	2011 JAR Total patients served	2012 JAR Total patients served
Fayette County							
Elk Valley Health Services Inc.	19494	Davidson	7-17-84	3	0	0	0

Home Care Solutions, Inc.	19544	Davidson	9-7-88	3	0	0	0
NHC Homecare	24026	Fayette	6-6-83	3	123	130	103
Where The Heart Is	24036	Fayette	8-10-05	3	2	9	12
Regional Home Care - Lexington	39035	Henderson	2-1-84	1	0	0	0
Amedisys Home Health Care	57075	Madison	5-2-84	2	0	0	0
Extendicare Home Health of West Tennessee	57095	Madison	6-18-84	3	1	165	6
Intrepid USA Healthcare Services	57165	Madison	9-26-84	2	0	16	5
Regional Home Care - Jackson	57085	Madison	6-7-84	2	21	36	13
Accredo Health Group, Inc.	79456	Shelby	5-9-97	3	0	0	0
Alere Women's and Children's Health LLC	79466	Shelby	12-21-98	3	11	3	6
Amedisys Home Care	79146	Shelby	6-3-82	3	0	0	0
Amedisys Home Health Care	79246	Shelby	4-24-84	3	0	0	21
Amedisys Tennessee, LLC	79386	Shelby	2-29-84	3	169	134	2
Baptist Trinity Home Care	79276	Shelby	6-26-84	3	85	98	121
Baptist Trinity Home Care - Private Pay	79446	Shelby	9-6-83	3	0	0	0
Best Nurses, Inc.	79546	Shelby	7-1-08	3	0	2	2

Extended Health Care, Inc.	79136	Shelby	12-3-81	3	12	17	8
Family Home Health Agency	79206	Shelby	3-10-77	2	0	10	4
Functional Independence Home Care, Inc.	79496	Shelby	8-13-04	3	21	6	6
Home Health Care of West Tennessee, Inc.	79486	Shelby	5-2-84	3	14	32	56
Homechoice Health Services	79376	Shelby	3-5-84	3	49	52	46
Interim Healthcare of Memphis, Inc.	79056	Shelby	8-9-78	3	6	4	3
Intrepid USA Healthcare Services	79226	Shelby	8-25-83	3	1	7	10
Maxim Healthcare Services, Inc.	79536	Shelby	10-9-07	3	1	6	2
Methodist Alliance Home Care	79316	Shelby	7-1-88	3	132	90	83
No Place Like Home, Inc.	79506	Shelby	7-1-05	3	2	2	3
Willowbrook Visiting Nurse Association	79236	Shelby	5-12-76	3	108	103	106
Baptist Home Care & Hospice - Covington	84046 & 84606	Tipton	9-26-84	3	0	0	1
Careall Homecare Services	84076	Tipton	6-7-84	2	7	7	11
Total of Fayette Co.	30				765	929	631

Shelby County							
Elk Valley Health Services Inc.	19494	Davidson	7-17-84	3	1	0	3
Home Care Solutions, Inc.	19544	Davidson	9-7-88	3	0	0	0
NHC Homecare	24026	Fayette	6-6-83	3	10	9	11
Where The Heart Is	24036	Fayette	8-10-05	3	30	230	254
Extendicare Home Health of West Tennessee	57095	Madison	6-18-84	3	0	0	89
Accredo Health Group, Inc.	79456	Shelby	5-9-97	3	7	9	14
Alere Women's and Children's Health LLC	79466	Shelby	12-21-98	3	421	330	334
Amedisys Home Care	79146	Shelby	6-3-82	3	789	882	938
Amedisys Home Health Care	79246	Shelby	4-24-84	3	567	575	659
Amedisys Tennessee, LLC	79386	Shelby	2-29-84	3	1831	1928	1486
Americare Home Health Agency, Inc.	79256	Shelby	1-24-84	2	1097	132	1724
Baptist Trinity Home Care	79276	Shelby	6-26-84	3	3228	3148	3242
Baptist Trinity Home Care - Private Pay	79446	Shelby	9-6-83	3	1	1	1
Best Nurses, Inc.	79546	Shelby	7-1-08	3	25	309	363
Extended Health Care, Inc.	79136	Shelby	12-3-81	3	405	755	307

Family Home Health Agency	79206	Shelby	3-10-77	2	1070	365	859
Functional Independence Home Care, Inc.	79496	Shelby	8-13-04	3	874	717	796
Home Health Care of West Tennessee, Inc.	79486	Shelby	5-2-84	3	1375	1089	923
Homechoice Health Services	79376	Shelby	3-5-84	3	1412	1301	823
Interim Healthcare of Memphis, Inc.	79056	Shelby	8-9-78	3	718	714	884
Intrepid USA Healthcare Services	79226	Shelby	8-25-83	3	533	654	595
Maxim Healthcare Services, Inc.	79536	Shelby	10-9-07	3	74	68	142
Methodist Alliance Home Care	79316	Shelby	7-1-88	3	2450	2689	2692
No Place Like Home, Inc.	79506	Shelby	7-1-05	3	44	34	51
Senior Services Home Health	79106	Shelby	6-25-10	1	670	642	697
Still Waters Home Health Agency	79526	Shelby	7-1-06	1	83	105	127
Willowbrook Visiting Nurse Association	79236	Shelby	5-12-76	3	321	345	396
Baptist Home Care & Hospice - Covington	84046 & 84606	Tipton	9-26-84	3	0	0	1
Shelby County Total	28				18,236	18,220	18,411

Tipton County							
Elk Valley Health Services Inc.	19494	Davidson	7-17-84	3	0	0	0
Home Care Solutions, Inc.	19544	Davidson	9-7-88	3	0	0	0
NHC Homecare	24026	Fayette	6-6-83	3	0	1	4
Where The Heart Is	24036	Fayette	8-10-05	3	2	14	18
Amedisys Home Health Care	57075	Madison	5-2-84	2	0	1	0
Extendicare Home Health of West Tennessee	57095	Madison	6-18-84	3	7	6	11
Intrepid USA Healthcare Services	57165	Madison	9-26-84	2	0	0	0
Regional Home Care - Jackson	57085	Madison	6-7-84	2	33	29	20
Accredo Health Group, Inc.	79456	Shelby	5-9-97	3	0	0	0
Alere Women's and Children's Health LLC	79466	Shelby	12-21-98	3	15	18	20
Amedisys Home Care	79146	Shelby	6-3-82	3	0	0	0
Amedisys Home Health Care	79246	Shelby	4-24-84	3	0	1	3
Amedisys Tennessee, LLC	79386	Shelby	2-29-84	3	204	348	318
Americare Home Health Agency, Inc.	79256	Shelby	1-24-84	2	0	3	3
Baptist Trinity Home Care	79276	Shelby	6-26-84	3	0	1	4

Baptist Trinity Home Care - Private Pay	79446	Shelby	9-6-83	3	0	0	0
Best Nurses, Inc.	79546	Shelby	7-1-08	3	0	0	1
Extended Health Care, Inc.	79136	Shelby	12-3-81	3	3	3	1
Functional Independence Home Care, Inc.	79496	Shelby	8-31-04	3	6	2	2
Home Health Care of West Tennessee, Inc.	79486	Shelby	5-26-84	3	177	141	92
Homechoice Health Services	79376	Shelby	3-5-84	3	181	183	7
Interim Healthcare of Memphis, Inc.	79056	Shelby	8-9-78	3	3	2	2
Intrepid USA Healthcare Services	79226	Shelby	8-25-83	3	3	1	10
Maxim Healthcare Services, Inc.	79536	Shelby	10-9-07	3	3	7	6
Methodist Alliance Home Care	79316	Shelby	7-1-88	3	169	179	164
No Place Like Home, Inc.	79506	Shelby	7-1-05	3	2	2	1
Willowbrook Visiting Nurse Association	79236	Shelby	5-12-76	3	1	2	8
Baptist Home Care & Hospice - Covington	84046 & 84606	Tipton	9-26-84	3	235	257	297
Careall Homecare Services	84076	Tipton	6-7-84	2	98	87	75

Tipton County Total	29				1,142	1,288	1,067
Grand total	87				20,143	20,437	20,109

** show the # of all counties for each HHA. The # of counties in the applicant's primary service area (PSA) should be shown separately in the bracket*

HOME HEALTH SERVICES (Guidelines for Growth)

1. The need for home health agencies/services shall be determined on a county-by-county basis.

The need calculations reflected below are on a county by county basis.

- 2 In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services in that county.

The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.

The results of the need formula as calculated and applied by the

Tennessee Department of Health are reflected below.

Home Health Need Formula in the Applicant's 3-County additional Service Area

County (A)	# Authorized Agencies (B)	2013 Pop (C)	Patients served (2012) (D)	Use Rate (Patient /1000 pop.) (E)	2017 Pop (F)	Projected Capacity (G)	Projected Need (H)	Additional Need (Surplus) for 2017 (G-H)
Fayette	30	40,081	631	0.0157	43,819	687.95	657.28	30.67
Shelby	28	940,972	18,411	0.0195	951,669	18,557.54	14,275.03	4282.51
Tipton	29	63,001	1,067	0.0169	66,612	1,125.74	999.18	126.56
Total	87	1,044,054	20,109	0.0521	1,062,100	20,371.23	15,931.49	4439.74

Source: Tennessee Department of Health Division of Planning Policy and Assessment

- Using recognized population sources, projections for four years into the future will be used.

The population projections reflected above are 4 years into the future, and the source is the Tennessee Department of Health Division of planning and policy assessment.

- The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.

According to the JAR for the past several years, the use rate has always been significantly higher than the projected need of .015. As of 9-17-13, on the joint annual report of home health agencies final use rates of the three proposed counties were: Shelby .0195, Tipton .0169, and Fayette .0157. These numbers in the last few years has not been .015 but higher. According to the use rate of each proposed area it is a need in the area of each county for 2017, if you use the use rate for each county .0001 higher in the next four years. Shelby alone the surplus is 95 patients over capacity if the use rate is .0196, which is .0001 higher in 2017. Also with Love Ones focusing on private pay patients and patients that may not be approved for services but are needed this makes our services very needed in each area. Charity care and private pay sources will be a primary source for marketing for Love Ones and will focus on those patient whom are in need of care but are unable to be served due to uncontrollable circumstances. In addition, numerous patients in the community are dissatisfied with current services after going from agency to agency will be looking for a home health agency to fit their needs. According to Medicare.gov there are agencies that are under investigation for falsely reporting visit. This information can be found on the website but no chart

or graphs could be found to attach to the proposed project.

The projected capacity for 2017 as calculated by the Department of Health and U.S. Census Bureau is reflected above.

5. Documentation from referral sources:

- a. The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.

Ms Beverly Jones plans to refer 15-20 patients each month to Love Ones for home health services from the emergency department and cardiology office where she is employed. . The applicant projects 5 of these patients at the least will qualify for skilled home health care. The approved patients will be able to receive the following services from Love Ones skilled home health care: Wound Care, IV Therapy, Medication Administration (Injection), Medication management (educate patient and family on usage of medication and how and when to administer medication by mouth), Tube Feedings, Management of Catherized patients. Please see the letter attached as Attachment C, I Need, Guideline Response 5 (a).

- b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial years of operating.

The Projected number of cases by service categories are as follows: Wound Care 20 patients, Care of tracheotomy patients 5, Care of patients with Gastrostomy Tube 5, Diabetes Management and education 10, Patient with congestive heart failure 5, ventilator management and respiratory care 4 in the initial year of operation.

- c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services. The letters provided were letters from patients who are in search of a home health provider that will provide a better quality of service. In the letter the patients stated how they are not satisfied with the current care that they are receiving.

- d. The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

Love Ones will provide services that are similar to existing agencies however due to the growing need of home health care, Love Ones agency will be in great demand and will be beneficial in servicing the proposed counties. Due to the current health care reform more patients are expected to have health insurance, therefore increasing the need for more home health agencies. The applicant will seek Medicare and TennCare certification, and will provide all home health services needed. It is expected based on the experience of one of the leaders of Love Ones that the greatest need is for services for TennCare private duty patients and for Medicare HMO patients. According to the Joint Annual Report, the three proposed service areas served 20,109 patients combined. According to the Tennessee Department of Health, Shelby County has the largest population (940,766) and the least amount of licensed agencies (28). These statistics show that there is a need for Love Ones Services. Based on the licensed agencies in the proposed areas, 30 serving Fayette county, 16 of those served TennCare recipients, 13 served Medicare HMO recipients, of the 28 agencies in Shelby county, 14 served TennCare and 11 served Medicare HMO recipients, and 29 licensed to serve in tipton and only 15 served TennCare patients and 12 served

Medicare HMO patients. This shows a significant need for Love Ones to provide needed services to TennCare and Medicare HMO recipients. In addition, there are significant numbers of patients who due presumably to their payor source, find it difficult to find an existing agency to serve them. The applicant has been told by many families and medical professionals that an additional home health agency is needed. See Attachment C, I Need Guideline Response 5 (d).

6. The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining services areas.

a. The average cost per visit by service category shall be listed.

Private Duty Aid:	\$22.00 per hour
Home Health Nursing:	\$84.00 per visit
Home Health Aid:	\$46.00 per visit
Physical Therapy:	\$103.00 per visit
Speech Therapy:	\$103.00 per visit
Occupational Therapy:	\$177.00 per visit
Medical Soc. Services	\$221.00 per visit

b. The average cost per patient based upon the projected number of visits per patients shall be listed.

The total number of patients served in Year One was divided by the total amount of gross revenue in the Projected Data Chart to determine the average cost per patient of \$10,100.40. Projected number of patients served in year one is 49 and the total gross revenue is \$ 494,920. Applicant will have 1 private duty patient in year 1 equaling \$315,360. The payer source for the private duty patient will be TennCare. Private duty nursing are cover for adults 21 and older only when medically necessary to support the use of ventilator equipment or other life sustaining medical technology when constant nursing supervision is required. Private duty nursing services are covered as medically necessary for children under the age of 21 in accordance to (EPSDT) Early and Periodic Screening Diagnosis and Screening,

November 15, 2013

2:10pm

requirements. Also, Private duty nursing services are limited to services are limited to services provided to the recipient in

3. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. **Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

The service area includes Shelby County, where Love Ones (LOHHA) is currently located, and the 2 Tennessee counties adjacent to Shelby County. A map of the service area is attached as Attachment C, I Need 3.

4. A. Describe the demographics of the population to be served by this proposal.

The service area is in west Tennessee, with Fayette County bordering Mississippi, Shelby County bordering Mississippi and Arkansas, and Tipton County bordering Arkansas. A map of the service area is attached as Attachment C, I Need 4(A).

SERVICE AREA POPULATION

County	2012 Total Population	2012 65+ Population (% of Total)	2017 Total Population	2017 65+ Population J% of Total)
Fayette	38,659	16.8%	43,819	20.1%
Shelby	940,764	10.8%	951,669	12.3%
Tipton	61,705	12.1%	66,612	15.4%
State of Tennessee	6,456,243	14.2%	6,623,114	10.2%

According to The United States Department of Health and Human Services, Health Resources and Service Administration the state of Tennessee is considered a medically underserved area/population. Out of 103, 101 are considered medically underserved areas, 2 are medically underserved populations.

According to the U.S. Department of Human Services all of Fayette and Tipton Counties are considered medically underserved areas and multiple areas of Shelby County is considered medically

underserved areas. Please see attachment Section C, Need Item 4a and 4b.

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document

how the business plans of the facility will take into consideration the special needs of the service area population.

The most notable demographic characteristics of the proposed service counties include the following, and represent special needs of the service area population.

Elderly Population: Within the three proposed service counties, Fayette has the highest proportion of elderly population than the state-wide average. The elderly tend to have a greater need for health care services, including home health services, than the younger population.

<i>Variable</i>	<i>Shelby</i>	<i>Fayette</i>	<i>Tipton</i>	<i>Service Area</i>	<i>Tennessee</i>
<i>Current Year (2013), Age 65+</i>	104,804	6680	7740	119,224	904,587
<i>Projected Year (2017), Age 65+</i>	120,783	7815	9083	137,681	1,015,339
<i>Age 65+, % Change</i>	3.6%	4.1%	3.9%	3.6%	6.8%
<i>Age 65+, % Total (PY)</i>	12.3%	20.1%	15.4%	15.6%	10.2%
<i>CY, Total Population</i>	940,972	40,081	63,001	1,044,054	6,414,297
<i>PY, Total Population</i>	951,669	43,819	66,612	1,062,100	6,623,114
<i>Total Pop. % Change</i>	8.7%	16%	11.5%	12%	3.4%
<i>TennCare Enrollees</i>	227,747	5,577	11,540	244,864	1,192,483
<i>TennCare Enrollees as a % of Total Population</i>	24.23%	13.99%	18.3%	23.45%	18.6%
<i>Median Age</i>	65	76	70	69	79
<i>Median Household Income</i>	46,102	57,437	50,869	154,408	43,989
<i>Population % Below Poverty Level</i>	20.1%	11.7%	15.3%	47.1%	16.9%

Access to Health Care: The proposed service counties are all designated as Medically Underserved Areas. These designations are apparently well deserved, increasing the need for home health services for the affected population.

County	Medical Doctors per 1,000	Hospital Beds per 1,000	Nursing home beds per 1,000
Shelby	3.0	4.4	44.7
Fayette	0.3	1.2	30.8
Tipton	0.6	1.6	40.4
Tennessee Avg	2.4	3.5	43.9

Mortality Rates: Of the three proposed counties, Fayette County has the highest mortality rate due to the area's relatively limited access to health care services.

County	Mortality Rates # of Deaths per 1,000
Shelby	8.0
Fayette	9.5
Tipton	8.1
Tennessee Avg	9.3

The chart below shows the need for Love Ones services to educate on disease processes and healthy meal planning for patients with Heart Disease, Cancer and Diabetes to decrease the # of deaths in the proposed counties. The applicant will implement a healthy meal plan by educating the patients on importance of limiting daily consumption of salt, pork and fatty foods to prevent heart disease. A daily consumption of fast food, greasy foods and fat can clog the arteries causing heart disease and coronary artery disease. Patients will be educated on importance of choosing lean meats, chicken and fish instead of pork and beef. These daily changes in diet can help prevent heart disease. Diabetic patients will be educated on how to count carbs daily and the importance of limiting daily starches, and the importance of checking food labels for sugar content. Cancer patients will be educated on medications that are critical in their daily fit to be cancer. They will also be taught on remedies for pain management, and ways to decrease pain daily. Other home health agencies should be educating patients on disease processes however (co-owner LaTonya Addison) being in the home health field for years have noticed many patients with knowledge deficit related to their medications, diabetics are unaware of their disease process how to manage their diabetes daily and patients with heart failure unaware of simple things such as weighing themselves daily and the importance of following a no-salt diet.

Number of Deaths per 100,000 by Cause of Death

County	Diseases of the Heart	Cancer	Diabetes
Shelby	189.9	185.6	25.3
Fayette	213.5	255.1	18.2
Tipton	188.3	193.2	22.9
Tennessee Avg	228.3	212.9	26.4

Low Income: Within the three proposed service counties, Shelby County has the highest percentile rate of poverty, 3.2% higher than the state-wide average and Tipton County has the lowest income of the three counties.

County	Income	Poverty Rate
Shelby	25470	20.1%
Fayette	28,606	11.7%
Tipton	22,062	15.3%
Tennessee	24,197	16.9%

All three proposed counties have a significant amount of TennCare enrollees, with Shelby County having a greater proportion of enrollees. Attached as Attachment C, I Need 4(B). Upon approval of the CON, Love Ones will become certified through Medicare and TennCare to provide all home health services needed by its patients.

Sources: The US Census Bureau, Tennessee Advisory Commission on Intergovernmental Relations, Bureau of TennCare.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each Institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

Utilization data for all home health agencies listed to serve the service areas for the most recent 3 years of available data is reflected in Attachment C, I Need, 5.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

The applicant has identified a nurse practitioner whom will provide Love Ones with a minimum of 49 patients for the first year and 98 for the second year. Documentation has been submitted from this referral source with the proposal. Ms Beverly Jones plans to refer 15-20 patients each month to Love Ones. The applicant projects 5 of these patients at the least will qualify for skilled home health care. The approved patients will be able to receive the following services from Love Ones skilled home health care: Wound Care, IV Therapy, Medication Administration (Injection), Medication management (educate patient and family on usage of medication and how and when to administer medication by mouth), Tube Feedings, Management of Catherized patients. TennCare was contacted several times and referred us to information from the website. This information gives all the information need to know about all limits set by TennCare. Attachment Section C Need Item 1 Specific Criteria item 6a-6b

Historical Utilization: N/A.

Projected Utilization:	Patients	Visits	P.D. Hours
Year 1:	49	1497	8760
Year 2:	98	2527	8760

Projected Utilization By County:**Year 1**

County	Total Patients	Intermittent Patients	Intermittent Visits	P.D. Patients	P.D. Hours
Fayette	7	7	220	0	0
Shelby	33	33	995	1	8760
Tipton	9	9	282	0	0

Year 2

County	Total Patients	Intermittent Patients	Intermittent Visits	P.D. Patients	P.D. Hours
Fayette	14	14	207	0	0
Shelby	66	66	2000	1	8760
Tipton	18	18	320	0	0

Intermittent services are services provided to a patient that is less than 8 hours daily. Private duty services are identified as patients whom have consistent care greater than 8 hours daily.

Breakdown the projected utilization by discipline using the following charts:

Projected Private Duty Utilization by Discipline

Discipline	Patients Year 1	Hours Year 1	Patients Year 2	Hours Year 2
Skilled Nursing	1	8760	2	17,520
Home Health Aide	0	0	0	0
Medical Social Worker	0	0	0	0
Therapies(PT, OT, ST)	0	0	0	0
Other(specify)	0	0	0	0

Total	1	8760	2	1750
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Projected Intermittent Utilization by Discipline

Discipline	Patients Year 1	Visits Year 1	Patients Year 2	Visits Year 2
Skilled Nursing	49	1135	98	2270
Home Health Aide	15	270	30	540
Medical Social Worker	0	0	0	0
Therapies(PT, OT, ST)	0	0	0	0
Other(specify)	0	0	0	0
Total	49	1449	98	2810

II. ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
- The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.

The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.

A completed Project Cost Chart is included on the following page. The project cost is as reflected in the Project Cost Chart. The building where Love Ones is located is owned by Hackmeyer Properties and requires no construction and will be leased at fair market value. On the project cost chart, Love Ones start up cost is \$177,800. \$3000 of that amount went towards the CON filing fee, \$69,360 is allocated for the life of the lease, we will have (6) computers: (4) desktop and (2) laptops, equaling \$14,400, the fax machines, telephone, office supplies (such as staples, paper, bulletin board, shredder, locked file cabinets and etc) will equal \$8600. Furniture such as: office desk, conference room table, computer chairs, and etc will cost \$7750. Limited Liability Company fee of \$308, Licensure \$1080, Company Insurance (liability, workers comp, etc) \$28,800. The remaining capital will be used to pay payable for the year, internet/fax/phone/software, it is

estimated to be \$ 3800, \$21,010 will be used for advertising and \$14,692 will be set aside for emergency situations and petty cash of \$5000.

- For projects that include new construction, modification, and/or renovation; **documentation must be** provided from a contractor and/or architect that support the estimated construction costs.

N/A. There is no construction, renovation or modifications involved in this project.

SEP 9 13 PM 19

PROJECT COSTS CHART

A. Construction and equipment acquired by purchase:

1.	Architectural and Engineering Fees	0
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	0
3.	Acquisition of Site	0
4.	Preparation of Site	0
5.	Construction Costs	0
6.	Contingency Fund	0
7.	Fixed Equipment (Not included in Construction Contract)	0
8.	Moveable Equipment (List all equipment over \$50,000)	0
9.	Other (Specify) E	

B Acquisition by gift, donation, or lease:

1.	Facility (inclusive of building and land)	0
2.	Building only	69360
3.	Land only	0
4.	Equipment (Specify) J0	0
5.	Other (Specify) °	0

C. Financing Costs and Fees:

1.	Interim Financing	0
2.	Underwriting Costs	0
3.	Reserve for One Year's Debt Service	0
4.	Other (Specify) computer 14,400, Office supplies, 8,600, Furniture 7,750, Insurance 28,800, Licensure 1,080, LLC 308, petty cash 5,000, emergency money 14,692, advertising 21,010, internet/cable/phone/software 3,800	105440
		174800

Estimated Project Cost
(A+B+C)

E CON Filing Fee

F Total Estimated Project Cost

(D+E)

TOTAL 177800 1

2. Identify the funding sources for this project.

- a. Please check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding **MUST** be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2)

All funding will come from loans from available financial institutions. Love Ones have spoken with several different financial institutions and have chosen a financial institution to fit our needs for business start up. The start-up funds will be paid back to the financial institution at an interest rate of 4.25% upon CON approval and will be included on the projected data chart under operating revenue. \$150,800 in labor on the project cost chart was an error and has been revised. On the project cost chart, Love Ones start up cost was \$177,800. \$3000 of that amount went towards the CON filing fee, \$69,360 is allocated for the life of the lease, we will have (6) computers: (4) desktop and (2) laptops, equaling \$14,400, the fax machines, telephone, office supplies (such as staples, paper, bulletin board, shredder, locked file cabinets and etc) will equal \$8600. Furniture such as: office desk, conference room table, computer chairs, and etc will cost \$7750. Limited Liability Company fee of \$308, Licensure \$1080, Company Insurance (liability, workers comp, etc) \$28,800. The remaining capital will be used to pay payable for the year, internet/fax/phone/software, it is estimated to be \$3800, \$21,010 will be used for advertising and \$14,692 will be set aside for emergency situation and petty cash of \$5,000.

- X** **A. Commercial loan- Letter from lending institution or guarantor favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;**
- B. Tax-exempt bonds-Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;**
- C. General Obligation bonds-Copy of resolution from issuing authority or minutes from the appropriate meeting.**
- D. Grants-Notification of intent form for grant application or notice of**

grant award; or

E. Cash Reserves-Appropriate documentation from Chief Financial Officer.

F. Other-Identify and document funding from all other sources.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

The project cost is as reflected in the Project Cost Chart. The building where Love Ones is located is owned by Hackmeyer Properties and requires no construction and will be leased at fair market value. The cost is projected due to the buildup of a new organization; certain

expenses apply such as rental fees, medical supplies, and labor. These fees are necessary to establish positive revenue.

4. Complete Historical and Projected Data Charts on the following two pages--*Do not modify the Charts provided or submit Chart substitutions!* Historical Data Chart represents revenue and expense information for the last *three* (3) years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

A Historical Data Chart: N/A

Projected Data Charts for the 3 proposed counties are attached following the historical data chart.

HISTORICAL DATA CHART

N/A

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in (Month).

A. Utilization Data (Specify unit of measure)

Year Year Year

B. Revenue from Services to Patients

1. Inpatient Services

\$ \$ \$

2. Outpatient Services

3. Emergency Services

4. Other Operating Revenue

(Specify)

Gross Operating Revenue

\$ \$ \$

C. Deductions from Gross Operating Revenue

1. Contractual Adjustments

\$ \$ \$

2. Provision for Charity Care

3. Provisions for Bad Debt

Total Deductions

\$ \$ \$

NET OPERATING REVENUE

\$ \$ \$

D. Operating Expenses

1. Salaries and Wages

\$ \$ \$

2. Physician's Salaries and Wages

3. Supplies

4. Taxes

5. Depreciation

6. Rent

7. Interest, other than Capital

8. Other Expenses (Specify)

Total Operating Expenses

\$ \$ \$

E. Other Revenue (Expenses) – Net (Specify)

\$ \$ \$

NET OPERATING INCOME (LOSS)

\$ \$ \$

F. Capital Expenditures

1. Retirement of Principal

\$ \$ \$

2. Interest

Total Capital Expenditures

\$ \$ \$

NET OPERATING INCOME (LOSS)

LESS CAPITAL EXPENDITURES

\$ \$ \$

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in **April** (Month).

	<u>Year 2014</u>	<u>Year 2015</u>
A. Utilization Data (Specify unit of measure)	<u>49 Patients</u> <u>1497 Visit</u>	<u>98 patients</u> <u>2527 Visits</u>
B. Revenue from Services to Patients		
1. Inpatient Services	\$ <u>NA</u>	\$ <u>NA</u>
2. Outpatient Services	<u> </u>	<u> </u>
3. Emergency Services	<u> </u>	<u> </u>
4. Other Operating Revenue (Specify) <u> </u>	<u> </u>	<u> </u>
Gross Operating Revenue	<u>\$494,920</u>	<u>\$618,650</u>
C. Deductions from Gross Operating Revenue		
1. Contractual Adjustments	\$ <u>50,688</u>	\$ <u>50,688</u>
2. Provision for Charity Care	<u>14,847.60</u>	<u>29,695.20</u>
3. Provisions for Bad Debt	<u>4,949.20</u>	<u>6,186.50</u>
Total Deductions	<u>\$70,484.80</u>	<u>\$86,569.70</u>
NET OPERATING REVENUE	<u>\$424,435.20</u>	<u>\$532,080.30</u>
D. Operating Expenses		
1. Salaries and Wages	<u>\$216,000</u>	<u>\$292,000</u>
2. Physician's Salaries and Wages	<u>0</u>	<u>0</u>
3. Supplies	<u>35,872</u>	<u>44,840</u>
4. Taxes	<u>68,229</u>	<u>86,211</u>
5. Depreciation	<u> </u>	<u> </u>
6. Rent	<u>22,440</u>	<u>23,100</u>
7. Interest, other than Capital	<u> </u>	<u> </u>
8. Management Fees:		
a. Fees to Affiliates	<u>NA</u>	<u>NA</u>
b. Fees to Non-Affiliates	<u>NA</u>	<u>NA</u>
9. Other Expenses – Specify <u> </u>	<u>68,850</u>	<u>63,430</u>
Total Operating Expenses	<u>\$ 401,391</u>	<u>\$509,581</u>
E. Other Revenue (Expenses) -- Net (Specify) <u> </u>	\$ <u> </u>	\$ <u> </u>
NET OPERATING INCOME (LOSS)	<u>\$ </u>	<u>\$ </u>
F. Capital Expenditures		
1. Retirement of Principal	\$ <u>0</u>	\$ <u>0</u>
2. Interest	<u> </u>	<u> </u>
Total Capital Expenditures	<u>\$ </u>	<u>\$ </u>
NET OPERATING INCOME (LOSS)	<u>\$13,044.20</u>	<u>\$22,499.30</u>
LESS CAPITAL EXPENDITURES		

PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	<u>Year 2014</u>	<u>Year 2015</u>
1. Loan Yearly payment	<u>\$12,000</u>	<u>\$12,000</u>
2. Licensure yearly	<u>Cost Chart</u>	<u>1080</u>
3. Medical Software online access	<u>5500</u>	<u>5500</u>
4. Company Vehicle	<u>12,000</u>	<u>12,000</u>
5. Mileage, Maintenance	<u>6,000</u>	<u>8500</u>
6. All Company Insurance	<u>24,000</u>	<u>24,000</u>
7. Daily Operation(Internet,Phone,fax, etc..)	<u>350</u>	<u>350</u>
8. Joint Accreditation and Medicare Accreditation-3 years	<u>9000</u>	
Total Other Expenses	<u>\$68,850</u>	<u>\$63,430</u>

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Average Gross Charge

Private Duty Aid:	22.00 per hour
Home Health Nursing:	120.00 per visit
Home Health Aid:	75.00 per visit
Private Duty Nursing:	36.00 per hour

Average Deduction \$0 (Reported in net revenue)

Average Net Charge Same as average gross charge

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Private Duty Aid:	22.00 per hour
Home Health Nursing:	120.00 per visit
Home Health Aid:	75.00 per visit

At the rate Love Ones will charge we will be able to generate positive revenue while keeping the existing patient charges competitive and affordable. Home health aides per visit rate is \$75, private duty aide is \$22 per hour and \$120 per visit for home health nursing. The average cost for the home health agencies serving the proposed counties came from the data submitted via The Joint Annual Report. Each visit rate can be broken down into labor, mileage and supplies.

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Charges of other providers are calculated from data in the Joint Annual Report as Attachment C, II Economic Feasibility, 6(B) According to the JAR, reported licensed agencies per visit charge for home health aides ranged from \$25-122 per visit and \$22 per hour. Skilled nurse visits ranged \$35-182 per visit, \$35-43/hr. The prices that are proposed will keep healthcare cost to a minimum. According to the Centers for Medicare and Medicaid Services, using the Home health prospective payment system the projected 2014 per visit payment rates are \$121.23. Applicant proposal has been based off specific charges in the proposed counties. On average, the applicants charges are similar to those in the proposed service area and will have no negative effect on healthcare. In addition, Love One charity care will be great additions to the healthcare service are because of the limited amount of people that are able to obtain quality care to fit their need.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

TennCare patients and 12 served Medicare HMO patients. This shows a significant need for Love Ones to provide needed services to TennCare and Medicare HMO recipients. In addition, there are significant numbers of patients who due presumably to their payor source, find it difficult to find an existing agency to serve them. The applicant has been told by many families and medical professionals that an additional home health agency is needed. Table shown below shows all projections for the first year of services. Financial feasibility will be obtained through different payor sources, private pay patients and medicare/tenncare patients. In the event of a major delay in payment of claims Love Ones will utilize reserve cash from home equity and personal cash to ensure all day to day operations flow as normal. Attachment C I Need Guidelines Response 5 (d) shows each provider by payer and shows the significant amount of providers not serving private pay source. This chart also shows a significant amount of Medicare HMO patients not being served. Love Ones intend to focus on these sources to provide these patients with care. This table shows the amount of patients shows the amount of patients served in the proposed areas. The purpose of the chart was to show the Census bureau total population to the total amount of patients served in the area by payer. The chart shows the deficiencies in all pay areas and where serves are lacking according to payers.

The projected utilization rates as reflected on the Projected Data Charts are sufficient to maintain cost effectiveness. The proposal of this project will maintain cost effectiveness by keeping prices sustainable for patients and maintaining financial feasibility for the business. With prices being at an average cost, there will be no negative effects on the health care system. The PDC for the 3 proposed counties reflect a positive NOI in Year 1 and 2.

It is projected that the majority of the patients will come from the ER and will be new to home health. It is possible that patients will be transferred from other home health agencies due to them being dissatisfied with their current care

8. Discuss how financial viability will be ensured within two years; and demonstrated the availability of sufficient cash flow until financial viability is achieved.

Financial viability will be ensured in Year 1 as reflected in the PDC. The utilization rates are sufficient to maintain cost effectiveness.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

Love Ones will seek certification for both Medicare and TennCare upon approval of the CON and provide any and all home health services needed by its patients. From one of the leaders previous experience as a medical professional, Love Ones believes the greatest need is for TennCare Private Duty Aid and Medicare HMO patients, and will focus on serving these patients. According to the Joint Annual Report, the three proposed service areas served 20,109 patients combined. According to the Tennessee Department of Health, Shelby County has the largest population (940,766) and the least amount of licensed agencies (28). These statistics show that there is a need for Love Ones Services. Based on the licensed agencies in the proposed areas, 30 serving Fayette county, 16 of those served TennCare recipients, 13 served Medicare HMO recipients, of the 28 agencies in Shelby county, 14 served TennCare and 11 served Medicare HMO recipients, and 29 licensed to serve in tipton and only 15 served

The projected TennCare and Medicare revenue for the 3 proposed counties for Year 1 are reflected below:

Payor	Gross Revenue	% of Total Revenues
Medicare	138,577.60	28%
Medicaid/TennCare	207,866.40	42%
Commercial Insurance	118,780.80	24%
Self-Pay	29,695.20	6%
Total	494,920	100%

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, II, Economic Feasibility 10.

Because Love Ones is a new project, there are no Balance Sheets or Income Statements. Financial information for the partnership is attached as Attachment C, II, Economic Feasibility 10.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

No less costly and/or more effective alternatives were identified. The

cost project is what is needed to operate the business successfully. The alternative of not providing services for all three proposed counties would not realize the benefits that will be achieved by the approval and implementation of this proposal. As one of the leaders of Love Ones, my experience as a home health nurse serving Shelby County and based on the growing population according to the Census Report and the people served on the Joint Annual Report there is a definite need for Love Ones

services. The anticipated 1.5% of the population was almost doubled according to the number of people seen on the Joint Annual Report.

b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

N/A. This project does not involve new construction.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

Upon CON approval, Love Ones will seek agreements with Medicare, TennCare Select, AmeriChoice, BlueCare, and all private payor sources. Love Ones will not contract with First Tennessee Development District Agency on Aging and Disability (FTDDAAD).

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

There will be no negative effects on the health care system due to the

proposal of Love Ones. The proposal will not have a negative effect on the utilization rates for the proposed serve areas. Due to the current health care reform, home health services will be greatly needed. Upon speaking with a TennCare representative concerning potential contracts, part owner (LaTonya Addison) was told that due to the current enrollees' limitations with health care, TennCare is trying to get as many providers as possible to serve patients in the proposed areas. No Written documentation could be obtained from the TennCare representative. In this discussion the representative explained that, "TennCare was trying to seek as many providers as possible due to the patients being limited on who they can see." No information was obtained from the representative such as: Name or position. Applicant spoke with the TennCare Representative on 7-11-13. According to the Joint Annual Report, the three proposed service areas served 20,109 patients combined. According to the Tennessee Department of Health, Shelby County has the largest population (940,766) and the least amount of licensed agencies (28). These statistics show that there is a need for Love Ones Services. Based on the licensed agencies in the proposed areas, 30 serving Fayette county, 16 of those served TennCare recipients, 13 served Medicare HMO recipients, of the 28 agencies in Shelby county, 14 served TennCare and 11 served Medicare HMO recipients, and 29 licensed to serve in tipton and only 15 served TennCare patients and 12 served Medicare HMO patients. This shows a significant need for Love Ones to provide needed services to TennCare and Medicare HMO recipients. In addition, there are significant numbers of patients who due presumably to their payor source find it difficult to find an existing agency to serve them.

Letters of Support

Medical Professionals:

Tracy King	Coordinator of Patient Financial Services
Maxine Alexander	LPN, Nurse Coordinator
Tameika Crawford	MSSW, LAPSW
Ardra Huntley	LPN
Vicky Gearing	RN
Jacquelyn Parker	LPN
Laura R. Sprabery	M.D., FACP, UT Medical Group
Beverly Jones	RN, ANCP-BC, DNP, Saint Francis Hospital
Zhankun Cheng	PhD, BCBA-D, Behavioral Analysis Consulting LLC

Patient Families and Others:

Monica Dennis	Shelby County/Patient Family
Angelique Bumpus	Shelby County/Professional Event Planner
Denise Starks	Shelby County/Patient
Antonio Pree	Shelby/Small Business Owner
James Harp	Fayette County
LaShundra Jones	Shelby County
Jackie Stewart	Shelby County

2. Love Ones will improve access to services for TennCare and Medicare HMO patients. Love Ones will focus primarily on the underserved. Love Ones will especially focus on serving the TennCare population by providing Private Duty services and services to Medicare who are enrollees of Medicare HMOs. Love Ones will also focus on the patients with private payor sources who can't

find an agency to service their needs. Love Ones will not deny services to patients based on their inability to pay. According to the Department of Health Joint Annual Report, greater than 50% of current licensed agencies do not provide charity care so 3-5% of patient services will go toward charity care. These statistics are in Shelby County alone. 75% of current agencies provide charity care to less than .01% of their served population, according to the Department of Health Joint Annual Report. Due to the growing population in the three proposed counties it is vital that the patients be subjected to quality care. One of the leaders for Love Ones understands from her 4 years of experience in healthcare as a licensed professional, there are significant numbers of patients who suffer due to their lack of benefits with their payer source and their inability to find an existing agency to serve them. Based on the number of patients served in the proposed counties, Love Ones services in these areas are greatly needed. This proposal will have no negative effect on the health care system. Existing home health agencies may understandably be reluctant for an additional home health agency to begin serving patients in the 3 counties where Love Ones is currently not licensed. However, the negative impact to the existing providers should be blunted by the fact that Love Ones will be serving a disproportionately high number of TennCare and Medicare HMO patients in the area. These patients are usually less attractive to providers. Current HHA are looking to expand but will not be able to accommodate new patients that are needed to be seen. As a current LPN in the work force Mrs. Latonya Addison have worked for several home health agencies that has not been able to take in new patient due to the void in nursing services. Many of these agencies that Mrs. Addison has worked for have been under staffed for the overload of patients. Love Ones owners have spoken with numerous patients in the purposed counties and many disapproves of their current services. There have been recently reported cases of fraud reported and investigations open for numerous HHA for reporting visits that were not actually completed according to Medicare. gov. No charts could be found to support the information only information posted to the websites.

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in

the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

This is the proposed staffing grid for Love Ones and prevailing wage patterns in the service area according the Tennessee Department of Labor and Workforce Development.

Type of Personnel	Proposed Staffing in PTE/FTE	Salaries
RN/ FTE	1.0	50,000
LPN/ FTE	1.0	40,000
CNA/ PTE	1.0	16,000
Marketing Coordinator/ FTE	1.0	30,000
Addition staffing/Nurses	Depend on workload	80,000

These are above average salaries for the proposed service areas.

According to The Tennessee Department of Labor and Workforce Development average entry wage salaries for the clinical staff are as follows: RN-49,270; LPN-32,350; and CNA-19,410.

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

The staffing requirement positions are modest, and due to the projected number of nursing graduates the applicant anticipates no problem in filling the positions. The proposal of Love Ones will have a Director of Nursing . Applicant will have a Director of Nursing position for the purposed agency. The applicant has a registered nurse (RN), licensed practical nurse (LPN) and a certified nursing assistant (CNA) on board whom all have extensive backgrounds in the medical field. All resumes and credentials are attached.

Additional staff will be recruited through advertisement on line (craigslist, yahoo hot jobs and indeed.com) the commercial appeal and will also utilize medical staffing agencies over the three proposed counties. According to section 484.14 (c) of the state operations manual, a HHA must have an administrator whom can be an RN with at least one year supervisory experience in home health or hospice. The applicant will employ an administrator,

manager and competent staff who will meet the state standards within their licensure.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.

The applicant has a firm understanding of all licensing, certification and reimbursement requirements for home health agencies. Love Ones continues to work with medical professionals with over 30 years of experience with admission privileges, quality assurance, utilization review and staff education.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

N/A. The applicant will not participate in the training of students in the areas of medicine, nursing, social work and etc however weekly quality assurance briefings will be held for current employees to improve patients care and discuss any vital information pertaining to the patient. Monthly Skill Refresher Courses (Inservices) will be held to insure that all skills are up to date.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

The applicant has reviewed licensing certification as required by the state of Tennessee via The State Operations Manual/Personnel Qualifications and the Rules of The Tennessee Department of health board for licensing health care facilities. According to General Provisions 484.4/Personnel Qualifications, each clinical staff member shall meet all qualifications and certifications for the state of Tennessee, the applicant will ensure that all staff members are licensed and certified. The applicant has thoroughly reviewed and understands the licensing procedures made available by the Tennessee department of health chapter 1200-08-26 standards for homecare organizations providing home health services. Also reviewed and understands the PPS (prospective payment system) and its six main features for Medicare home health services. The applicant understands that Medicare pays home health agencies a predetermined base payment and that the payment is adjusted for the health condition and care needs of each beneficiary (case-mix adjustment).

(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: Department of Health, Board for Licensing Health Care Facilities

Accreditation: Joint Commission on Accreditation of Healthcare Organization, Community Health Accreditation Program

(c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

N/A. Love Ones will seek all required licensure and certifications upon approval of the CON and will become an accrediting agency.

(d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

N/A.

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

None.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project.

None.

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

If the proposal is approved, the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of Intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

The Publication of Intent was published in the Commercial Appeal on September 5, 2013. A copy of the Publisher's Affidavit is attached following the Project Completion Forecast.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal

- 1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**

A completed Project Completion Forecast Chart is attached on the following page. All completion dates for each phase of completion has been submitted.

- 2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.**

N/A.

Form I-1F0004

Revised 02/01/06

Previous Forms are obsolete

PROJECT COMPLETION FORECAST CHART

SEP 9 13 PM 2:10

Enter the Agency projected Initial Decision date, as published in T.C.A. § 68-11-16091c): November 2013

Assuming the CON approval becomes the final agency action on that date; indicate the number of days from the above agency decision **date** to each phase of the completion forecast.

<u>Phase</u>	DAYS REQUIRED (MONTH/YEAR)	<u>Anticipated Date</u>
<u>Architectural and engineering contract signed</u>	<input type="text"/>	<input type="text"/>
<u>Construction documents approved by the Tennessee Department of Health</u>	<input type="text"/>	<input type="text"/>
<u>Construction contract signed</u>	<input type="text"/>	<input type="text"/>
<u>Final permit secured</u>	<input type="text"/>	<input type="text"/>
<u>5. Site preparation completed</u>	<input type="text"/>	<input type="text"/>
<u>6. Building construction commenced</u>	<input type="text"/>	<input type="text"/>
<u>7. Construction 40% complete</u>	<input type="text"/>	<input type="text"/>
<u>8. Construction 80% complete</u>	<input type="text"/>	<input type="text"/>
<u>9. Construction 100% complete (approved for occupancy)</u>	<input type="text"/>	<input type="text"/>
<u>10. *Issuance of license</u>	<input type="text"/>	<input type="text"/>
<u>11. *Initiation of service</u>	<input type="text"/>	<input type="text"/>
<u>12. Final Architectural Certification of Payment</u>	<input type="text"/>	<input type="text"/>
Final Project Report Form 11170055)	<input type="text"/>	<input type="text"/>
<u>For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.</u>	<input type="text"/>	<input type="text"/>

Note: **If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.**



Health Services and Development Agency

Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

November 15, 2013

LaTonya Addison
LPN, Chief Officer
8855 North Cortona Circle
Cordova, TN 38018

RE: Certificate of Need Application CN1309-033
Love Ones

Dear Mr. Addison,

This will acknowledge our November 14, 2013 receipt of your supplemental response for a Certificate of Need for the establishment of a home care organization and the initiation of home health services in Shelby, Fayette, and Tipton counties. The parent office will be located at 2502 Mount Moriah, Suite A-148, Memphis (Shelby County), TN.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 12:00 p.m., Friday, November 15, 2013. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

1. Replacement Pages

The replacement pages provided in the first and second supplemental responses are noted. Some pages submitted are replacement pages of replacement pages. In order to avoid confusion, please submit a final copy of the application that includes the latest replacement pages in the correct order.

A final copy of the application that includes the latest updated information has been attached and submitted. All information in the final application has information from all supplemental responses in the correct order.

2. Section B, Project Description, Item I

The applicant states the staffing narrative on page 7 has been modified to fit the table on page 33R. However, 33R appears to now be labeled as page 36. Please clarify.

All replacement and/or additional information have been placed into the original application so no replacement pages are needed.

Also, 7R could not be located in the supplemental response. The replacement page 7R in supplemental #1 has two (2) FTE LPNs and two (2) PRN nurse positions on the narrative, although the applicant notes in a table on page 36 there will be no more than one (1) FTE per position.

Both Supplemental information packages has been put into the original application to make a final copy with all of the correct information below is a chart of the updated information with the correct information pertaining to the above question:

Staffing

Love Ones will utilize one of its owners who is currently certified and licensed to practice as a Licensed Practical Nurse FT along with (1)FT Registered Nurse (1) PT Certified Nursing Assistant and a FT Marketing Coordinator. Additional Funds have been averaged into the salaries for additional nurses as the business grows.

Type of Personnel	Proposed Staffing in PTE/FTE	Salaries
RN/ FTE	1.0	50,000
LPN/ FTE	1.0	40,000
CNA/ PTE	1.0	16,000
Marketing Coordinator/ FTE	1.0	30,000
Addition staffing/Nurses	Depend on workload	80,000

3. Section B, Project Description, Item II B.---Home Health Agencies

The response verifying the applicant intends to seek Medicare certification is noted. However page 4 could not be located. Please clarify.

Applicant has placed the response to this question on question #12 in the original package. Response is as follows:

Love Ones will obtain certification for both Medicare and Medicaid. The applicant. The 9 step check list for seeking Medicare certification has been reviewed by the applicant and all cost has been accounted for on the Projected Data Chart. All information for the certification has been

reviewed including the submittal and acceptance of the 855A form by Centers for Medicare and Medicaid Services (CMS).

The discussion with an unknown TennCare representative stating TennCare" is trying to get as many providers as possible due to the patients being limited that are currently enrolled is noted. Please contact TennCare and provide the following:

- Documentation from a TennCare representative that home health providers are needed in the proposed service area. Please obtain the representative's name, position, date and what was discussed. If possible, please provide written documentation.

If the applicant could not provide the above information from TennCare, please note it could not be obtained.

No Written documentation could be obtained from the TennCare representative. In this discussion the representative explained that, "TennCare was trying to seek as many providers as possible due to the patients being limited on who they can see." No information was obtained from the representative such as: Name or position. Applicant spoke with the TennCare Representative on 7-11-13.

4. Section C, Need, Item 1.a. (Project Specific Criteria-Home Health Services) (1.-4.)

A) Your response to the items is noted. A review of the Department of Health Division for Licensing Health Care Facilities web-site indicates there are twenty-eight (28) home health agencies licensed to serve the applicant's proposed service area. The full listing is attached to this letter. This expanded listing will likely affect your calculations of gross need, the inventory of agencies which are currently serving the proposed service area, and the net need for additional agencies at this time and in the near-term future.

B) ***Guidelines for Growth Methodology:*** Because the scope of the project includes the creation of an HHA, the applicant must include all existing licensed HHAs authorized to serve the Shelby, Fayette and Tipton County service area in order to apply the need formula correctly. This can be done using the following table (*please note that utilization is requested for three JAR reporting periods.*

The following chart has been revised and placed in the original application under Section C I Need 1 A

The first five (5) agencies for Fayette County are completed for illustrative purposes. Please complete the following tables for your proposed service area:

Existing Licensed HHAS & Their Utilization serving the 3-County Declared Service Area

Name of Agency	Agency (license #)	County of Parent Office	Date Licensed	Total Counties authorized in license (# counties in PSA) *	2010 JAR Total patients served	2011 JAR Total patients served	2012 JAR Total patients served
Fayette County							
Elk Valley Health Services Inc.	19494	Davidson	7-17-84	3	0	0	0
Home Care Solutions, Inc.	19544	Davidson	9-7-88	3	0	0	0
NHC Homecare	24026	Fayette	6-6-83	3	123	130	103
Where The Heart Is	24036	Fayette	8-10-05	3	2	9	12
Regional Home Care - Lexington	39035	Henderson	2-1-84	1	0	0	0
Amedisys Home Health Care	57075	Madison	5-2-84	2	0	0	0
Extendicare Home Health of West Tennessee	57095	Madison	6-18-84	3	1	165	6
Intrepid USA Healthcare Services	57165	Madison	9-26-84	2	0	16	5
Regional Home Care - Jackson	57085	Madison	6-7-84	2	21	36	13
Accredo Health Group, Inc.	79456	Shelby	5-9-97	3	0	0	0
Alere Women's and Children's Health LLC	79466	Shelby	12-21-98	3	11	3	6
Amedisys Home Care	79146	Shelby	6-3-82	3	0	0	0
Amedisys Home Health Care	79246	Shelby	4-24-84	3	0	0	21
Amedisys	79386	Shelby	2-29-84	3	169	134	2

Tennessee, LLC							
Baptist Trinity Home Care	79276	Shelby	6-26-84	3	85	98	121
Baptist Trinity Home Care - Private Pay	79446	Shelby	9-6-83	3	0	0	0
Best Nurses, Inc.	79546	Shelby	7-1-08	3	0	2	2
Extended Health Care, Inc.	79136	Shelby	12-3-81	3	12	17	8
Family Home Health Agency	79206	Shelby	3-10-77	2	0	10	4
Functional Independence Home Care, Inc.	79496	Shelby	8-13-04	3	21	6	6
Home Health Care of West Tennessee, Inc.	79486	Shelby	5-2-84	3	14	32	56
Homechoice Health Services	79376	Shelby	3-5-84	3	49	52	46
Interim Healthcare of Memphis, Inc.	79056	Shelby	8-9-78	3	6	4	3
Intrepid USA Healthcare Services	79226	Shelby	8-25-83	3	1	7	10
Maxim Healthcare Services, Inc.	79536	Shelby	10-9-07	3	1	6	2
Methodist Alliance Home Care	79316	Shelby	7-1-88	3	132	90	83
No Place Like Home, Inc.	79506	Shelby	7-1-05	3	2	2	3
Willowbrook Visiting Nurse Association	79236	Shelby	5-12-76	3	108	103	106
Baptist Home Care & Hospice - Covington	84046 & 84606	Tipton	9-26-84	3	0	0	1

Careall Homecare Services	84076	Tipton	6-7-84	2	7	7	11
Total of Fayette Co.	30				765	929	631
Shelby County							
Elk Valley Health Services Inc.	19494	Davidson	7-17-84	3	1	0	3
Home Care Solutions, Inc.	19544	Davidson	9-7-88	3	0	0	0
NHC Homecare	24026	Fayette	6-6-83	3	10	9	11
Where The Heart Is	24036	Fayette	8-10-05	3	30	230	254
Extendicare Home Health of West Tennessee	57095	Madison	6-18-84	3	0	0	89
Accredo Health Group, Inc.	79456	Shelby	5-9-97	3	7	9	14
Alere Women's and Children's Health LLC	79466	Shelby	12-21-98	3	421	330	334
Amedisys Home Care	79146	Shelby	6-3-82	3	789	882	938
Amedisys Home Health Care	79246	Shelby	4-24-84	3	567	575	659
Amedisys Tennessee, LLC	79386	Shelby	2-29-84	3	1831	1928	1486
Americare Home Health Agency, Inc.	79256	Shelby	1-24-84	2	1097	132	1724
Baptist Trinity Home Care	79276	Shelby	6-26-84	3	3228	3148	3242
Baptist Trinity Home Care - Private Pay	79446	Shelby	9-6-83	3	1	1	1
Best Nurses, Inc.	79546	Shelby	7-1-08	3	25	309	363
Extended Health Care, Inc.	79136	Shelby	12-3-81	3	405	755	307

Family Home Health Agency	79206	Shelby	3-10-77	2	1070	365	859
Functional Independence Home Care, Inc.	79496	Shelby	8-13-04	3	874	717	796
Home Health Care of West Tennessee, Inc.	79486	Shelby	5-2-84	3	1375	1089	923
Homechoice Health Services	79376	Shelby	3-5-84	3	1412	1301	823
Interim Healthcare of Memphis, Inc.	79056	Shelby	8-9-78	3	718	714	884
Intrepid USA Healthcare Services	79226	Shelby	8-25-83	3	533	654	595
Maxim Healthcare Services, Inc.	79536	Shelby	10-9-07	3	74	68	142
Methodist Alliance Home Care	79316	Shelby	7-1-88	3	2450	2689	2692
No Place Like Home, Inc.	79506	Shelby	7-1-05	3	44	34	51
Senior Services Home Health	79106	Shelby	6-25-10	1	670	642	697
Still Waters Home Health Agency	79526	Shelby	7-1-06	1	83	105	127
Willowbrook Visiting Nurse Association	79236	Shelby	5-12-76	3	321	345	396
Baptist Home Care & Hospice - Covington	84046 & 84606	Tipton	9-26-84	3	0	0	1
Shelby County Total	28				18,236	18,220	18,411
Tipton County							
Elk Valley Health	19494	Davidson	7-17-84	3	0	0	0

Services Inc.							
Home Care Solutions, Inc.	19544	Davidson	9-7-88	3	0	0	0
NHC Homecare	24026	Fayette	6-6-83	3	0	1	4
Where The Heart Is	24036	Fayette	8-10-05	3	2	14	18
Amedisys Home Health Care	57075	Madison	5-2-84	2	0	1	0
Extendicare Home Health of West Tennessee	57095	Madison	6-18-84	3	7	6	11
Intrepid USA Healthcare Services	57165	Madison	9-26-84	2	0	0	0
Regional Home Care - Jackson	57085	Madison	6-7-84	2	33	29	20
Accredo Health Group, Inc.	79456	Shelby	5-9-97	3	0	0	0
Alere Women's and Children's Health LLC	79466	Shelby	12-21-98	3	15	18	20
Amedisys Home Care	79146	Shelby	6-3-82	3	0	0	0
Amedisys Home Health Care	79246	Shelby	4-24-84	3	0	1	3
Amedisys Tennessee, LLC	79386	Shelby	2-29-84	3	204	348	318
Americare Home Health Agency, Inc.	79256	Shelby	1-24-84	2	0	3	3
Baptist Trinity Home Care	79276	Shelby	6-26-84	3	0	1	4
Baptist Trinity Home Care - Private Pay	79446	Shelby	9-6-83	3	0	0	0
Best Nurses, Inc.	79546	Shelby	7-1-08	3	0	0	1
Extended Health Care, Inc.	79136	Shelby	12-3-81	3	3	3	1

Functional Independence Home Care, Inc.	79496	Shelby	8-31-04	3	6	2	2
Home Health Care of West Tennessee, Inc.	79486	Shelby	5-26-84	3	177	141	92
Homechoice Health Services	79376	Shelby	3-5-84	3	181	183	7
Interim Healthcare of Memphis, Inc.	79056	Shelby	8-9-78	3	3	2	2
Intrepid USA Healthcare Services	79226	Shelby	8-25-83	3	3	1	10
Maxim Healthcare Services, Inc.	79536	Shelby	10-9-07	3	3	7	6
Methodist Alliance Home Care	79316	Shelby	7-1-88	3	169	179	164
No Place Like Home, Inc.	79506	Shelby	7-1-05	3	2	2	1
Willowbrook Visiting Nurse Association	79236	Shelby	5-12-76	3	1	2	8
Baptist Home Care & Hospice - Covington	84046 & 84606	Tipton	9-26-84	3	235	257	297
Careall Homecare Services	84076	Tipton	6-7-84	2	98	87	75
Tipton County Total	29				1,142	1,288	1,067
Grand total	87				20,143	20,437	20,109

** show the # of all counties for each HHA. The # of counties in the applicant's primary service area (PSA) should be shown separately in the bracket*

Please provide letters from providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

No letters from providers in the proposed service area that state they have attempted to find appropriate home health services could be obtained.

5. Section C. Need, Item 1 (Specific Criteria: Home Health Services)- Item 6a and 6b

The applicant states replacement page 16R has been attached updating patient average cost in the narrative. Page 16R could not be located. Please clarify and submit if needed.

The patients average cost has been updated in Section C, Item 1, 6 B. This response has been placed in the original package and includes responses from all supplemental information that has been submitted.

The applicant refers to page 33R in the staffing response regarding 24 hour care of private duty patients. However, 33R could not be located. Please clarify and submit a replacement page if necessary.

All information has been placed in the original package and submittal with the original information

6. Section C, Need, Item 6

Please clarify if the applicant will provide care to one or two private duty patients in Year Two of the project. The table on page 20R reflects only one (1) private duty patients in Year Two, while other parts of the application reflects two private duty patients in Year Two. Please clarify and submit a replacement page if necessary.

The applicant will provide care to one private duty patient for the first 2 years of services and intends to expand services in future years. All parts of the application has been updated to reflect these numbers

7. Section C. Economic Feasibility Item 4. (Historical Data Chart and Projected Data Chart)

Projected Data Chart

- Please clarify where the cost of Joint Accreditation is accounted for in the Projected Data Chart.
- The "other expenses in D.9 in the Projected Data Chart is \$58,850, while the itemized amount is \$59,850. Please clarify and revise the Projected Data Chart if needed.
- The applicant has placed net operating income in the amount of \$23,044.20 in Year One and \$22,499.30 in Year Two in Total Capital Expenditures. Please revise and submit a revised Projected Data Chart.

Chart has been revised and a replacement has been placed into the original package.

8. Section C, Economic Feasibility, Item 5

Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project.

The average gross charge per patient in Year One is \$10,100, the average deduction from operating revenue is \$1,908, and the average net charge is \$8,192.

The average gross charge per patient in Year One is \$6313, the average deduction from operating revenue is \$1,438, and the average net charge is \$1114

Please use total gross operating revenue, total deductions and net operating revenue from the Projected Data chart in your calculations. For example, the average gross charge per patient in Year One is \$10,100, the average deduction from operating revenue is \$1,908, and the average net charge is \$8,192. Please revise page 27R as requested in supplemental one with the new calculations.

Revised chart has been placed in the original package

9. Section C, Orderly Development, Item 1

The applicant states Love Ones will not contract with First Tennessee Development District Agency on Aging and Disability (FTDDAAD) is noted. However, the replacement page of 30R could not be located. Please submit.

The response to the above question has been placed in the original application under Section C Orderly Development , Item 1. All information from supplemental responses has been placed in the original application.

10. Section C, Orderly Development, Item 2

The clarification of the statement there is a need for Loved Ones services since Shelby County has the largest population (940,766) and the least amount of licensed home health agencies (28) is noted. However revised replacement pages 30R and 31R could not be located. Please submit.

The revised statements to these questions have been placed in the original application for submission. The response to these questions can be found under section c, orderly development item 2.

The applicant stated 28R has been revised and resubmitted. Page 28R could not be located. Please submit.

All responses have been placed on the original application and placed to fit the original package.

11. Section C, Orderly Development, Item 3

Please research and compare the clinical staff salaries in the proposal to prevailing wages patterns in the service area as published by the Tennessee Department of Labor and Workforce Development and/or other documented sources.

According to research conducting from the Tennessee Department of Labor and Workforce Development Love one salaries are in average range or higher than that of HHA's in the opposing counties RN reported. to make between \$55,110-\$60,500 on average. LPN salaries start at 32530-48270 on average and CNA average salaries range on average of 19,410-25,456. These are above average salaries for the proposed service areas. According to The Tennessee Department of Labor and Workforce Development average entry wage salaries for the clinical staff are as follows: RN-49,270; LPN-32,350; and CNA-19,410.

12. Project Completion Forecast Chart

Please revise the project completion forecast chart. The applicant has a projected Agency initial decision date of November 2013 which has passed.

A new Project Completion Forecast Chart has been submitted and placed into the original application with the correct anticipated dates.

SEP 9 '13 PM 2:21

The Commercial Appeal Affidavit of Publication

STATE OF TENNESSEE COUNTY OF SHELBY

Personally appeared before me, Patricia C. Powell, a Notary Public, Helen Curl, of MEMPHIS PUBLISHING COMPANY, a corporation, publishers of The Commercial Appeal, morning and Sunday paper, published in Memphis, Tennessee, who makes oath in due form of law, that she is Legal Clerk of the said Memphis Publishing Company, and that the accompanying and hereto attached notice was published in the following editions of The Commercial Appeal to-wit:

September 5, 2013

Helen Curl

Subscribed and sworn to before me this 5th day of September, 2013.

Patricia C. Powell

Notary Public



My commission expires

~~My Commission Expires~~

February 1, 2014

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Love Ones owned by LaTonya Addison/Rodney James with an ownership type of Limited Liability Company and to be managed by owners, intends to file an application for a Certificate of Need for the Establishment of a home care organization and the initiation of home health services in Shelby, Fayette, and Tipton Counties. Home office will be located at 2502 Mount Moriah Suite A-148, Memphis, TN 38115. Project cost - \$177,800.

The anticipated date of filing the application is September 13, 2013. The contact person for this project is LaTonya Addison, LPN/Chief Officer who may be reached at Love Ones, 2502 Mount Moriah Suite A-148, Memphis, TN, 38115, ph: 901-282-9124.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF ShelbyNAME OF FACILITY: Love Ones

I, Latonya Addison/Rodney James, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Rodney James Owner
Latonya Addison Owner
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 14 day of November, 2013, witness my hand at office in the County of Shelby, State of Tennessee.

Rosa M. Shotwell
NOTARY PUBLIC

My commission expires 06-10, 2014.

HF-0043

Revised 7/02



LIST OF ATTACHMENTS

Partnership Agreement	<u>Attachment A, 3.</u>
Organizational Documentation	<u>Attachment A, 4.</u>
Option to Lease	<u>Attachment A, 6.</u>
Department of Health Joint Annual Report	<u>Attachment B, I, Need.</u>
Number of Patients Served by County and Population	<u>Attachment B, II, (C).</u>
Plot Plan	<u>Attachment B, III, (A).</u>
Floor Plan	<u>Attachment B, IV.</u>
Letters of Support & Intent to Refer	<u>Attachment C, I Need Guidelines Response 5 (a).</u>
Relative Medicare HMO & TennCare Service	<u>Attachment C, I Need Guidelines Response 5 (d).</u>
Map of Service Area	<u>Attachment C, I, Need 3.</u>
Demographics of Bordered States & Medically Underserved Areas	<u>Attachment C, I Need 4 (A).</u>
TennCare Enrollees by County	<u>Attachment C, I Need 4 (B).</u>
Utilization Data by Discipline	<u>Attachment C, I Need 5.</u>
Funding Letter	<u>Attachment C, II Economic Feasibility 2.</u>
Charge Per Visit/Hr by Discipline	<u>Attachment C, II, Economic Feasibility 6(B).</u>
Financial Statements	<u>Attachment C, II, Economic Feasibility, 10.</u>

Vicki L. Gearing
6401 Valley Oak Dr.
Memphis, TN 38141
(901) 463-9758

Objective

To obtain a position as Director of Nursing with an organization that will allow full utilization of my education and acquired skills.

Experience

August 2011-Present- **Where the Heart Is**, Memphis, TN

Private Duty Nursing
* Total Patient Care
* Administer Medication
* Tracheotomy Care

January 2009 - August 2011- **No Place Like Home**, Collierville, TN

Private Duty Nursing
* Total Patient Care
* Administer Medication
* Tracheotomy Care

January 2007- January 2009- **At Home Health Care**, Memphis, TN

Nurse Manager
*Admissions
*Supervisor over Medicaid Waiver Program *Nursing visits

February 2005 - January 2007- **Home Health Care of West Tennessee**, Memphis, TN

Nursing Supervisor
*Admissions
*Discharges
*Supervisor over Private duty nurses

June 2002 - February 2005 - **Staff Co.**, Memphis, TN

Private Duty Nurse
* Total Patient Care
* Tracheotomy Care
* Ventilation and Respiratory Care

November 1999 - June 2002 - **Medshares**, Memphis, TN

Private Duty Nursing

*Total Patient Care
*Administer Medication
*Tracheotomy Care

Education

1982-1983- Shelby State Community College of Nursing
1983-1984- Christian Brothers College Respiratory Therapy
1988-1989- Tennessee Technology- Graduate- LPN
1994-1999- Shelby State Community College- Graduate- ASN-RN

References

Excellent references upon request.

November 14, 2013

9:55am

LaTonya Addison <l1shomecare@gmail.com>

(no subject)

Sims, Kotrecia <Kotrecia_Sims@bcbst.com>

Fri, Nov 8, 2013 at 11:12 AM

To: "l1shomecare@gmail.com" <l1shomecare@gmail.com>

I (Kotrecia Sims) spoke with LaTonya Addison (Love Ones) concerning contracting with BCBS. Currently we are accepting new providers in network to provide homehealth services to our patients. If you have any questions please feel free to contact me at ~~800-924-7141~~ option 2.

Thanks in advance.

Kotrecia Sims, Network Interface Specialist

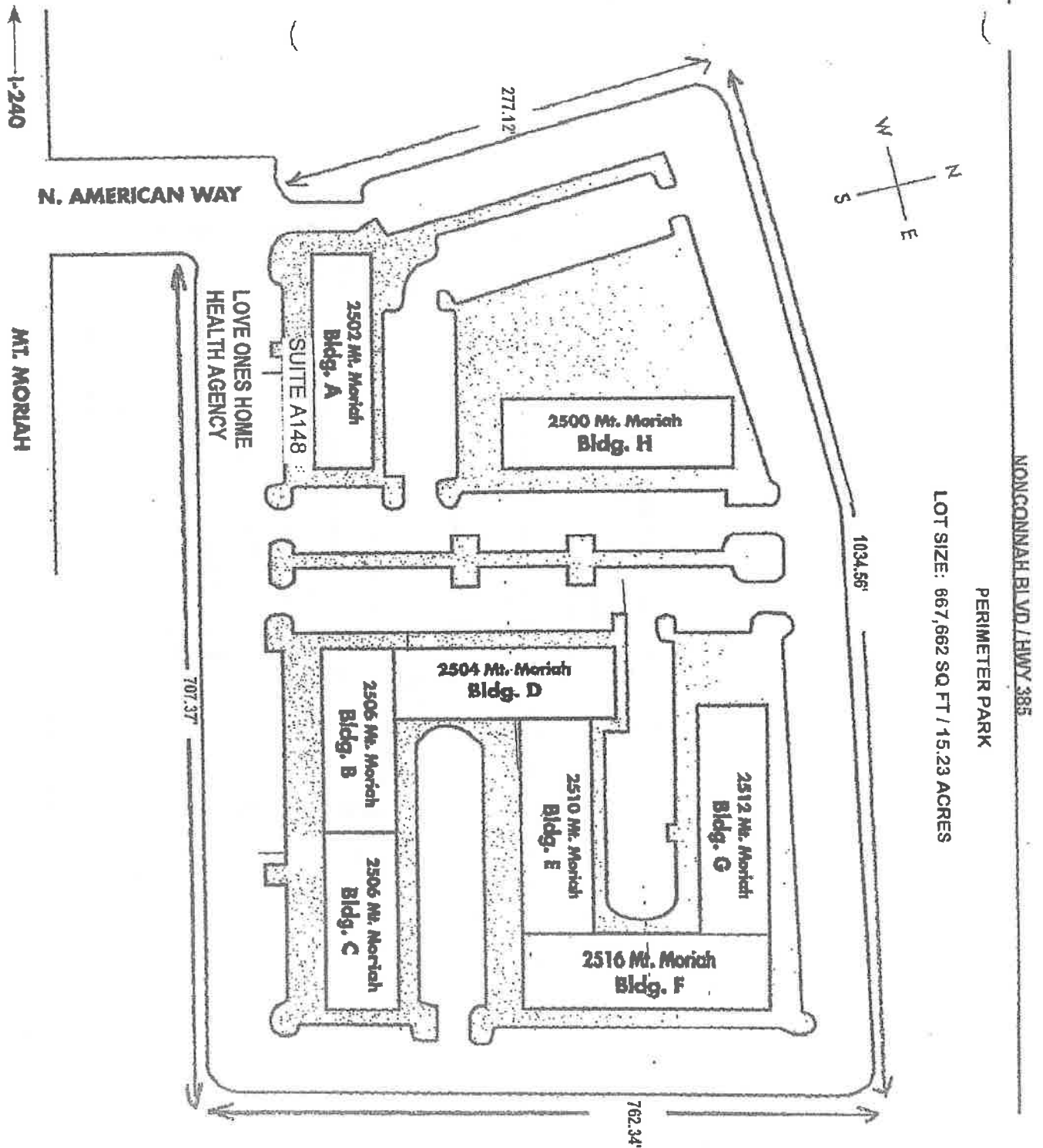
Provider Contract Development, BCBST

service line-~~800-924-7141~~ option 2

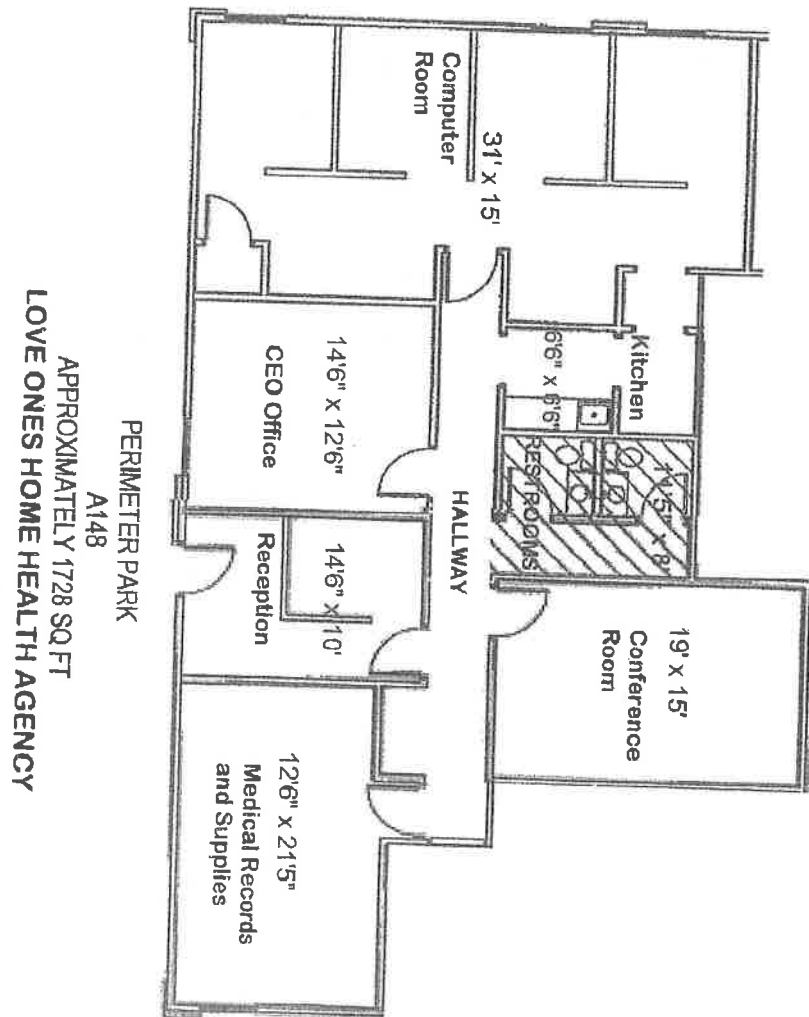
direct-~~423-635-6775~~

Please see the following link for the BlueCross BlueShield of Tennessee E-mail disclaimer: <http://www.bcbst.com/email-disclaimer>

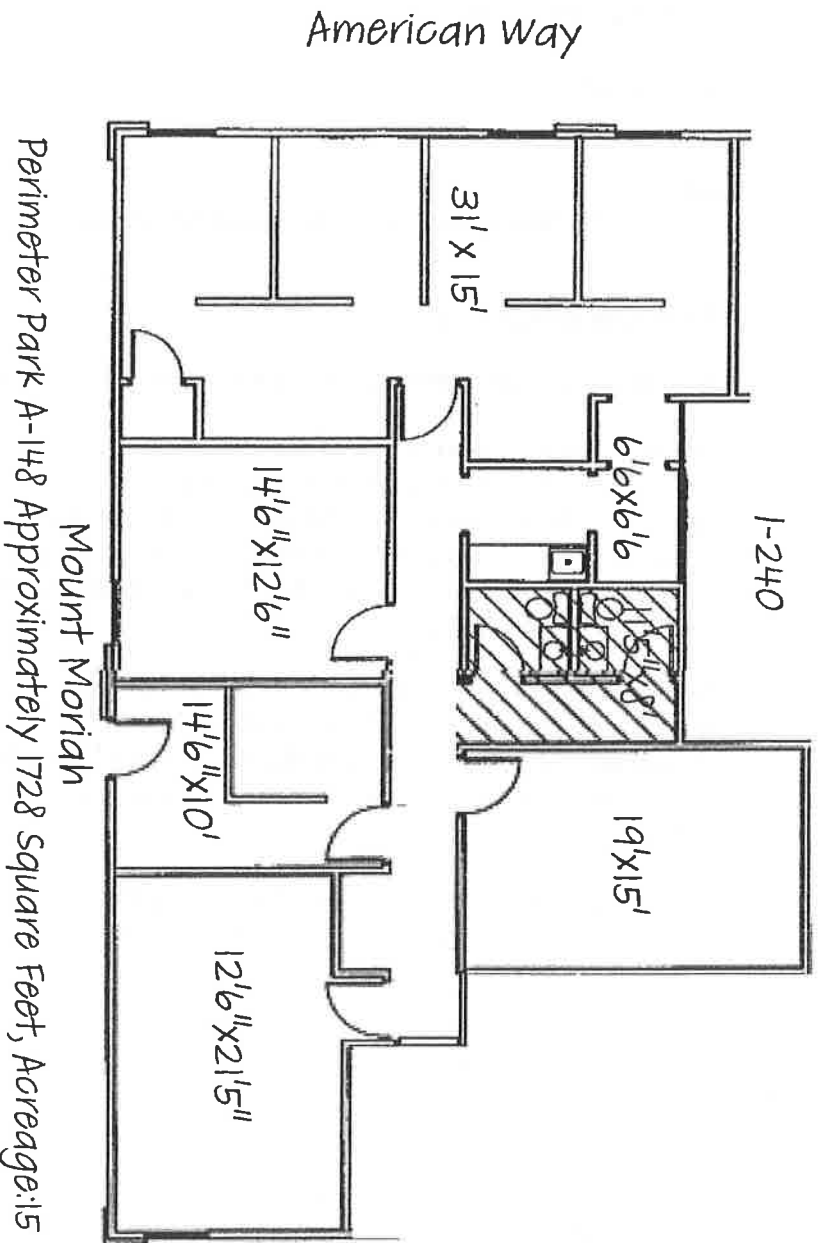
Section B, Project Description Item IIB Home health Agency



Section B Project Description Item III (Plot Plan)



2502 Mount Moriah Suite A-148



82:27 PM 81.6 DES
SEP 9 13 PM 2:28

Executive Director
Health Services and Development Agency
Frost Building 3rd Floor
161 Rosa Parks Blvd
Nashville, TN 37243

July 18, 2013

RE:
CON Approval for Love Ones Home Health Agency

To Whom It May Concern:

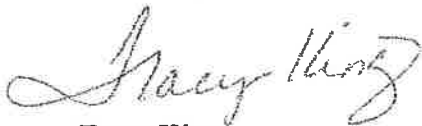
It is with great pleasure to write a letter of support for Love Ones Home Health Agency.

Latonya Addison who is one of the leaders and owners of Love Ones is goal oriented, hardworking and passionate as a medical profession. She has exemplified her desire to succeed and help others succeed in her work ethics as well as her daily life. During my fourteen years of being in the healthcare industry, I have witness a lot of hard working individuals but very few in which I would recommend with such high standards of being approved for the CON.

In conclusion, I fully support the future of Love Ones Home Health Agency. I feel that this agency will bring about the much needed change in the lives of the underserved in my community. I am confident the patient's and their families that are rendered services through this organization will be satisfied with the level of care in which their love ones will be given.

Please approve Love Ones Home Health Agency the CON that is needed so that this company can help the people that need the help the most.

Sincerely,



Tracy King
Corrdinator of Patient Financial Services
Regional Medical Center at Memphis
(901) 545-7602

November 4, 2013

11:12am

October 15, 2013

Melanie Hill-Executive Director
Health Services and Development Agency
Frost Building 3rd Floor
161 Rosa Parks Boulevard
Nashville, TN 37243

To Whom It May Concern:

This letter is in support of Love Ones, a Home Health Care Agency based in Memphis, Tennessee. Love Ones is a health care agency offering skilled and non-skilled nursing services to patients in Shelby, Fayette, and Tipton counties. The purpose of this institution is to provide comprehensive and quality based care to patients with needs and to provide assistance to underserved patients in the above listed counties.

LaTonya Addison, LPN has committed to provide quality and compassionate care to the community through this home health care agency. Ms. Addison has over 4 years experience as an LPN in providing nursing care and services to this population.

As a nurse practitioner in the Memphis community I recognize the need for an organization like Ms. Addison's to provide a spectrum of services through home health care especially to the patients in Shelby, Fayette, and Tipton counties. I have no doubt that she will be successful in meeting the needs of the west Tennessee community and I support her endeavors to improve the state of health care in Tennessee. As a nurse practitioner in the emergency department and cardiology office I plan to refer approximately 15-20 patients per month to Love Ones for home health services.

Sincerely,



Beverly Jones DNP, ACNP-BC, CCRN

Section C, Need Item 15 (a)

July 15, 2013

Executive Director

Tennessee Health Services and Development Agency

Frost Building 3rd Floor

161 Rosal Parks Boulevard

Nashville, TN 37243

Executive Director,

I am writing this letter as a personal recommendation letter for LaTonya Addison. I have known Latonya Addison in a professional capacity, as her supervisor for over 4 years and have found her to be honest, reliable, dedicated, and conscientious and an excellent member of my team. She strived to meet the needs of all her patients. Ms. Addison is an outstanding nurse with great Leadership capabilities. The Love Ones Home Healthcare with LaTonya Addison as one of the leader will certainly bring excellent to the Healthcare industry. Please provide them with a CON so that they can continue to make a difference in the lives of their patient.

Thank you,



Maxine Alexander

Nurse Coordinator

5325 Lake Village Drive
Memphis, TN. 38125

July 29, 2013

Dear Executive Director,

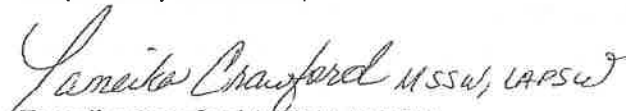
This serves as a letter of reference for LaTonya Addison, who has applied for a certificate of need for the Love Ones agency. It is my honor to recommend Ms. Addison. She has been a nurse for 4 years and has committed herself to providing extraordinary service to patients she serves.

During the time I worked with Ms. Addison, she demonstrated professionalism and quality serve to each patient she served. She could be relied upon to produce work, which exceeded her job requirements. She has amazing initiative and her organizational skills are immaculate. Other nurses frequently call upon her when they are in need of assistance and she responds without hesitation and with eagerness. She has a reputation as a superb nurse. Her competence, compassion and work ethic as a nurse are exemplary.

My experience in the healthcare field has proven a great need for agencies that will provide quality services to patients that are underserved due to insufficient insurance and/or unethical practices. The Love Ones Agency will be committed to provide skilled nursing, home health aides, and home maker services, all of which there is an increased need as a result of the aging population opting to receive healthcare services in their home. Ms. Addison's ability to secure a certificate of need is crucial in moving forward with her goal of opening her agency that will make a difference in the lives of those whom her agency proposes to serve.

I am deeply impressed with Ms. Addison and recommend her without hesitation. I am confident that if approved for certificate of need, she will provide the same high level of service and commitment.

Respectfully submitted,


Tameika Crawford MSSW, LAPSW

July 11, 2013

To Whom It May Concern:

I am writing this letter in support of LaTonya Addison and her attempts to obtain a Certificate of Need for the purpose of starting a Home Health Agency. I, Monica Dennis, am the mother of two daughters who have been diagnosed with a rare genetic disorder that has resulted in them both being ventilator dependent and unable to move independently. For these reasons, both of my girls have been allotted nursing care. My family was first introduced to home health care in 2009 shortly after my daughters were discharged from Lebonheur Children's Hospital after a nine month stay. We were granted twenty-four hour skilled nursing so that their needs could be met. Since that time we have gone through many nurses and a few agencies with the hopes of finding adequate care. Many of the nurses that come to my home to provide care have little trach/ ventilator experience and must be trained by me or the preceding nurse. We have been victims of theft on several occasions, physical altercations have been taken place between nurses during shift changes resulting in damage to my home, and even more alarming my children have coded on three occasions in which I had to intervene because the nurse either panicked or was unaware of what to do. After establishing a support group and meeting with other parents of vent dependent children, I found that our issues were somewhat mild in comparison. Although the agencies are made aware of the issues, the nurses are simply rotated to another home and replaced with someone else's "problem nurse". In my experience, many of the agencies have little empathy for their clients and the families that they serve. Unfortunately, we that depend on home health agencies to provide nurses to care for their loved ones, have learned to deal with and many issues that are common in the field of home health. There is a great need for a home health agency that provides nurses that are actually skilled to provide the skilled care that they are assigned to provide, expect professionalism from those that they hire, and actually staff cases in compliance with the amount of nursing hours given.

Despite our negative experiences, we have been fortunate to receive some nurses that are exceptional in the care that they provide. Of these nurses is LaTonya Addison. Ms. Addison first came to my home in 2010 to provide care for my daughter on the weekends. She has always maintained a professional demeanor and has extensive nursing knowledge. In 2012, Ms. Addison became my daughters' full time nurse until leaving on her own accord. During her two years in my home, Ms. Addison oriented and trained the nurses that currently staff my daughters' case to be competent and reliable. Ms. Addison (Love Ones) is an excellent resource for nurses that currently work in the home health field and an excellent contender for those agencies who currently staff home health cases.

Sincerely,



Monica A. Dennis

July 29, 2013

3766 Egypt Central Road
Memphis TN, 38128

Executive Director
Health Services and Development Agency
Frost Building 3rd Floor
161 Rosa Parks Blvd
Nashville TN 37243

Attention Executive Director,

I am writing on behalf of LaTonya Addison. Her desire to open a Healthcare Agency that will provide services outside of healthcare truly interested me. I wanted to help by writing a support letter that will encourage you to see the benefits of doing such an organization as this. Providing skilled services from nurses and home health aides/CNA's and non-skilled for the elderly, home maker services for those who just want companionship or need to go to the grocery store, go shopping, need their house cleaned or just need a home cooked meal along with compassion and dedication, is great for our community.

I've known LaTonya for about 17 years and she has always been someone who wanted to care for others. She has been in the healthcare field for a long time now and I am so happy to know that she is going to open up an agency that will provide the services that I mentioned above. We need people like her looking past just healthcare and adding more incentives to the program that will help people in need.

I hope you will consider supporting LaTonya on this journey as she takes healthcare to another level.

Respectfully,

A handwritten signature in cursive script that reads "Angelique Bumpus". The signature is fluid and stylized, with the first name being more prominent.

Angelique Bumpus
Professional Event Planner

7/27/13

To Whom It May Concern:

I confirm that I have known Latonya Addison for over one year. We worked together in the Home Health Care field doing private duty. At all times I have found Latonya Addison to be dependable, reliable, hard-working, conscientious, honest, peace-loving, and courteous. Her leadership skills were of grand estate providing that she would be a great candidate for opening her own business.

I'm happy to provide further information if required.

Sincerely,


Ardra P Huntley L.P.N.

7/27/13

To Whom It May Concern:

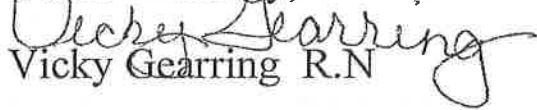
I recommend Latonya Addison to become a business owner.

I have worked with her in the private duty setting doing Home Health Care for over a year.

The love and care that she shows for her patients was professional. She would be an asset to the community. Her skills prove that she is a great candidate for a new business owner.

I'm happy to provide further information if required.

Yours faithfully,


Vicky Gearing R.N

July 11, 2013

Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building
500 Deadrick Street, Suite 850
Nashville, TN 37243

RE: Patient of Tonya Addison (Love Ones): Denise Starks
I am currently a patient of Latonya Addison on an all voluntary basis


Executive Director,

This letter is in reference to the CON application for Love Ones home health Agency that may be in question at this time. I have a few points I wanted to make about the great heart and caring shoulder that they gave me.

When I became diagnosed with cancer it became the worse experience of my life. There were times that I felt like giving up. Several agencies in Shelby County denied me home health visits due to my insurance not wanted to pay. In the end of 2012, I was approached by Mrs. Latonya Addison after she found out that I was really struggling with Therapy and all the medications that I am still currently taking. Mrs. Addison started to come to me home educating me on all my medications and how important other thing were to my recover. Each time she visited she asked about all that was discussed at my Dr. visits and explained any terminology that was unfamiliar. She always check my vital signs and make sure they are in normal ranges. Mr. Addison also voluntarily 3 times each week visited me at my home making sure all my medication stayed current and that my treatment were not having any adverse affects. This was very important to me and my family because our insurance don't cover all the things that I need to fully recover from my diagnosis. Mr. Addison continues to help out in any way she can and we have not been able to reimburse her in anyway. She is a true advocate of what the medical providers of the world should be. With Mrs. Addison help I plan in 2014 of being a fully recovered cancer survivor.

Truly a blessing:

I couldn't understand why at the worse part in my life I was denied coverage by my insurance company for things that I really needed to live. It's hard to put into words when you meet someone that was sent to help you as a blessing from god. Love Ones with Latonya Addison as one of the leaders will lead the healthcare back to a higher level and standard of care.

Thank You, 

Blend Master Beauty and Barbershop

5232 South Third Street

Ms. Melanie M. Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building
500 Deadrick Street, Suite 850
Nashville, TN 37243

To Whom it may concern:

I'm Antonio Pree a residence of Shelby County and business owner. I have been in business for over 9 years cutting hair and giving shaves. I have known the owners of LOVE ONES for over 20 years. They help my business out by bringing in patients of theirs. Most times the patients that they brings in are paid by them because of their income disparity. I Thought it was necessary for me to voice my opinion because during these visits I Noticed how happy the patients was with the owners and how the quality of life for the patient at that time was at it highest. Everyone in the surrounding neighborhood where my barber shop is know them for caring and being a good care people. I hope they can continue to place us in their good hands and hope the lord continues to bless us with their excellent care. Any questions I can be reached at 901-258-2432.

Truly ,

A handwritten signature in dark ink, appearing to read 'Antonio Pree', written in a cursive style.

Health Services and Development Agency
Frost Building, 3rd Floor
161 Rosa Parks Blvd
Nashville, TN 37243

RE: CON APPROVAL FOR LOVE ONES

Dear Executive Director;

It is my prayer that Love Ones obtain a CON. The owners of this business are amongst the most loyal, humble, caring people I've ever met. With their expertise in the medical field and just knowing how to genuinely serve people, I know that my community will receive exceptional care. One of the owners is a Licensed Nurse and has always gone above and beyond for her patients. Mr. James has always been the outstanding go to person that always lends a hand to the elderly in our community whether that's taking their trash to the curb, going to the store for them and even just being a listening ear. Those things mean a lot to people. I truly believe that Love Ones will make a huge difference in the lives of people in Shelby, Fayette and Tipton Counties. Please approve the CON because this agency is needed.

A handwritten signature in cursive script, reading "Jackie Stewart". The signature is written in dark ink and is positioned above the printed name.

Jackie Stewart

7/31/2013

To Whom This May Concern;

I am writing to support the approval of Love Ones CON. I am a current home health patient who has been through a lot with the current agencies. Ive had a hard time finding someone who genenienly care about my needs. Ive been told everything from "that's not in my job description, I don't do that, I cant sit here with you too long because I have to pick up my kids". I am a paraplegic and just want the care I feel that I deserve. Ive noticed with the current agencies, the nurses seem to only care about making a few dollars. When I was approached by one of the owners of Love Ones, just hearing there vision and how compassionate the young lady seemed, I felt like Love Ones was all Ive been looking for. Please give them what they need so that I can finally get the care I need.


James Harp

8/2/2013

Hello Executive Director;

I want to first introduce myself; my name is LaShundra Jones. I am a family member of a patient whom currently needs home health. My grandmother has been shifted from agency to agency being told that she no longer qualifies for care. Well I honestly think it's because of her insurance and the area she lives in. I've attempted to get her to move with me but she insists on staying in her own home. I thought that with home health it would make her more stable and help her maintain her independence, that's basically what they all say. I've witnessed the nurses come in, stay about 5 minutes and leave. What I want for my grandmother is quality care, and that has been hard to find. There are many agencies in business but I quickly realized it's not about quantity it's about quality and I want the best for her. I want to know that she is being cared for; I want someone to come in and be patient with her. She's on several medications and I thought that I would be educated by the nurses that came in however I had to learn them on my own; they never took the time to sit and say what was what. She desperately needs the help; she swells in her legs and is on oxygen daily. When I heard about Love Ones I was ecstatic because I felt my prayers have been answered, and then I was told that they have to have a certificate of need in order to provide services. Please provide them with whatever they need because its people out here that are in dire need of people that really care. I am looking forward to my grandmother receiving QUALITY CARE. I fully support this agency in their future endeavors.



LaShundra Jones

Health Services and Development Agency
Frost Building, 3rd Floor
161 Rosa Parks Blvd
Nashville, TN 37243

To Whom This May Concern;

The purpose of this letter is to show support for Love Ones Home Health Agency. I've been in healthcare for 18 years now and I have yet to find an agency that cares for their staff and their patients. In my eyes their biggest concern is about the money, just make the visit. What happened to making a difference, taking the time to really show you care, what happened to core values? When I graduated nursing school I was so ready to get out there and show the world what I had, I wanted to take care of everybody without asking for anything in return. When I met one of the owners of Love Ones a year ago, I was highly impressed with her work ethic, her empathy and the compassion she showed towards her patients. I didn't think there were any more nurses out her like that. Ms. Addison taught me so many things and made me aware of some things that I let slip away due to me getting comfortable after 18 years of nursing. The way health care is today, it would be a huge mistake to not allow Love Ones obtain the CON they need to provide services to our community. We need an agency that will be an advocate for our patients. Please approve the CON so that the community can be served in a way that will be beneficial to them. Thank you in advance.



Jacquelyn Parker, LPN

November 4, 2013

11:12am

To Whom This May Concern;

I reside in Shelby county, where I've lived primarily all my life. Unfortunately I experienced a life changing health scare when I currently depend on services from a nurse daily. Ive received services from several different agencies and Ive found that they are all alike. With my health I want someone who really cares about my condition and who can help me. I haven't found many agencies that are willing to provide care to my standards who will accept my insurance. Because I have TennCare, I feel that Ive been passed along and have become the laughing stock of people. Agencies admit me and after a few weeks, Im kicked out the door. I really need help. Please give Love Ones what the need so that they can help our community.

Thank you for time;

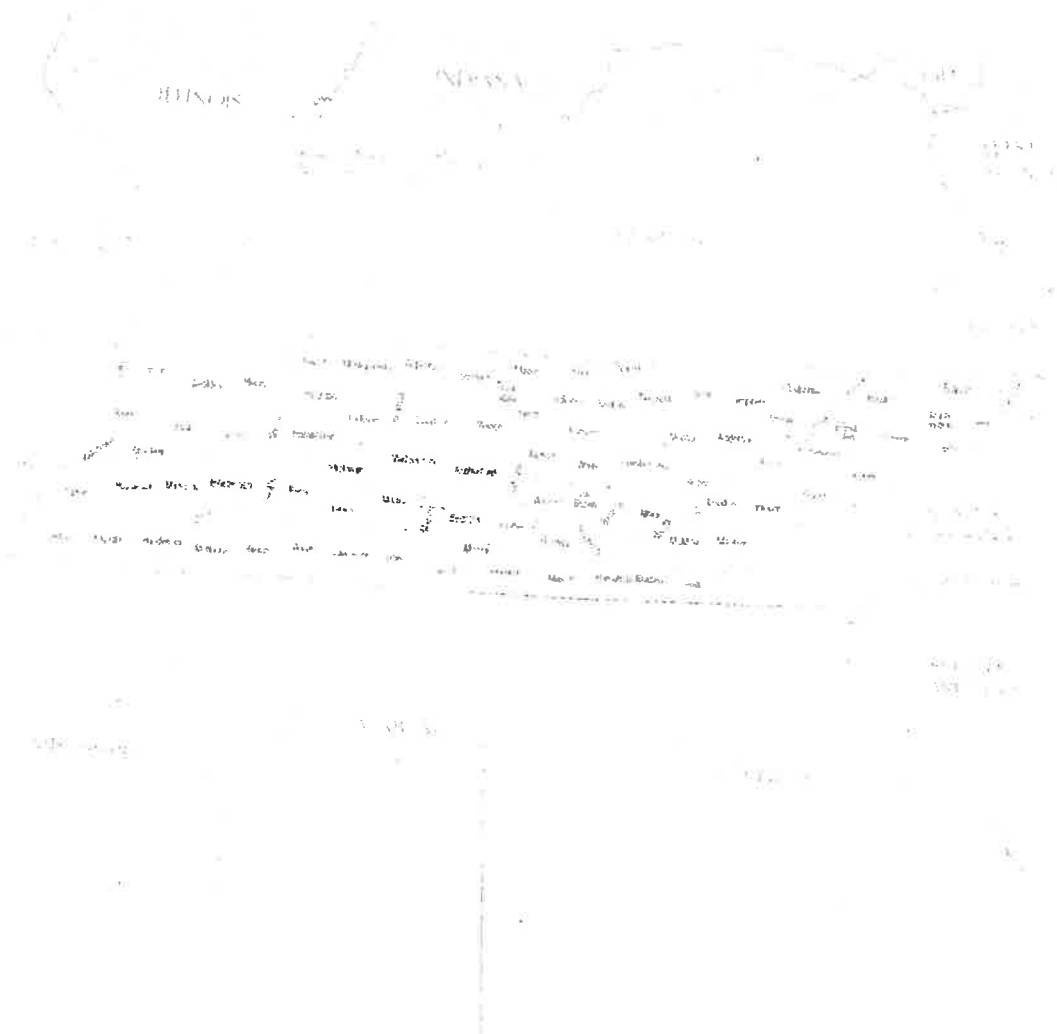
Odese Walls


Section C, Need 1 Specific Criteria Home Health Services Item 5 (c)

Dear Executive Director,

My name is Sarah Tutwiller and I was a patient of co-owner (LaTonya Addison). I believe that the residents of the city of Memphis and surrounding areas will benefit greatly from the care of this young lady. Words cant express how empathetic she was when caring for me. She is no longer my nurse however after I was told that she will be going into business for herself I was overwhelmed with joy because I get to get her back. Currently I am with another home health agency and the care that I receive now does not exemplify the caring heart that LaTonya has. She not only educated me on my diagnoses and meds, she helped me overcome my fear of suctioning my trach which was something that no one else was able to do. I am eager to be her patient again. Please approve her Certificate of Need so that I myself and everyone I know who needs home health may be under her care.

Eager patient,
Sarah Jane Tutwiller



Attachment C I Need 4a

November 4, 2013

11:12am



October 30, 2013

To whom it may concern:

I have met with the Chief Officer, Latonya Addison and Vice President, Rodney James of Love Ones to discuss their proposal to start a Health Care Agency. I am interested in submitting a loan package once they have a Certificate of Need approval. The loan I will be looking to process will be a 30yr loan for \$174,000 and the interest rate is approximately 4.25%. The payments will approximately be \$1000. The rate, term and payments are all subject to change and only approximate values. If you have any questions please don't hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to be "DKH", written over a horizontal line.

Donald K. Hall

Store Manager II

485 Goodman Rd

Southaven, MS 38671

MAC W3000-010

(662) 536-3061 Office

(662) 536-3059 Fax

Donald.Hall@wellsfargo.com

Section C Economic Feasibility Item2 (Funding)

LaTonya Addison
 8855 North Cortona Circle
 Cordova, TN 38018
 (901) 282-9124
focusedlpn29@gmail.com

OBJECTIVE: To secure a position as an LPN where I can grow and provide the highest level of care to patients.

HIGHLIGHTS OF QUALIFICATIONS

- Proven ability to provide compassionate and sensitive care for patients in critical situations.
- Strong analytical skills to easily assess conditions and implement appropriate interventions.
- Recognized for excellent teaching and coaching abilities.
- Dedicated professional with a reputation for consistently going beyond what is required.

EDUCATION

Certificate, 2010-Ventilator Training, Memphis, TN
 Diploma, 2008-Tennessee Technology Center, Memphis, TN
 Associate of Science, 2007-Southwest Tennessee Community College, Memphis, TN
 Certificate, 2004-Concorde Career College, Memphis, TN
 Honors Diploma, 2000-Sheffield High School, Memphis, TN

PROFESSIONAL EMPLOYMENT HISTORY

- Your Shared Hands, 7700 Poplar Ave, Germantown TN 2012-present
- Provide total care for pediatric patients with spinal muscular atrophy, monitor ventilator dependent pediatrics for respiratory distress, and provide daily trach and mickey site care.
- Where the Heart Is, 760 Great Oaks Road, Eads, TN 2011-2012
- Monitored ventilator dependent pediatrics for respiratory distress. Educated parents on diabetes and insulin administration. Completed daily trach and mickey site care, changed trachs bi-weekly, completed glucose checks, and administered medications and feedings.
- Functional Independence Home Care, 2502 Mount Moriah, Memphis, TN 2010-2012
- Provided a high standard of home health services by educating patients on disease processes. Completed wound care for amputee patients, GSW, decubitus ulcers and applied wound vacs. Displayed trust and empathy for patients and families during final stages of life. Improved the company's productivity within the first six months of employment and was awarded a gold nursing excellence award.
- Open Arms Care Corporation, 5120 Yale Road, Memphis, TN 2009-2010
- Provided physical and emotional support for patients with intellectual and developmental disabilities. Developed a plan of care to promote safety for the patients while in a home setting.
- Christ Community Health Services, 3362 S. Third, Memphis, TN 2009-2009
- Triageed patients with urgent care needs, administered injections, completed well child examinations, EKG's and ultrasounds.
- The MedPlex, 880 Madison Ave, Memphis, TN 2005-2007
- Assisted physicians with patient care, completed vital signs, and scheduled appointments.

Jacquelyn Norment
 766 Rosemont Ave
 Memphis, TN 38116
 901-210-1808
 901-333-9944
 jmnorment@yahoo.com

PROFESSIONAL SUMMARY

I have been a certified nursing assistant for 22 years. I am a very dependable person, enjoy helping others, and I'm a fast learner.

LICENSES

I am a certified nursing assistant

PROFESSIONAL EXPERIENCE

Whitehaven Community Living Center January 2006 - present
CNA
 Memphis TN
 I assist residents with adl's and restorative care

Maxim Healthcare March 2003- January 2006
CNA
 Memphis, TN
 Was assigned to various facilities to fill in when there was shortage of staff

Parkway Health and Rehabilitation Center January 2003 January 2006
CNA
 Memphis, TN
 Assisted residents with adl's and escorted them to doctor appointments

Kirby Pines Manor June 2002-January 2003
CNA
 Memphis, TN
 Assisted residents with adl's

Select Specialty Hospital February 1999-January 2000
CNA/PCA
 Memphis, TN
 I assisted the physical therapist with restorative care, wound care, tracheal care, and suctioning also I assisted nurses with catheter placement, vital checks, and accuchecks

Brighten Gardens August 1998-January 1999
CNA/PCA
 Memphis, TN
 I assisted residents with adl's and dispense of medication

St. Joseph Hospital August 1994-December 1998
CNA
 Memphis, TN
 I worked with the skill unit and assisted patients with therapy, adl's and meals. I also assisted the nurses with vital signs and wound care.

Wesley Highland Manor March 1998-August 1998
CNA
 Memphis, TN
 Assisted residents with adl's

St. Francis Nursing Home
CNA
Memphis, TN
Assisted residents with adl's

March 1995-September 1995

Wesley Highland Manor
CNA
Memphis, TN
Assisted residents with adl's

April 1992-May 1994

EDUCATION

Southwest Tennessee Community College
Physical Therapy
Memphis, TN
2012-present

Rice College
CNA Training
Memphis, TN
Jan 1992-Aug 1992

Fairley High School
Memphis, TN
Graduated 1989

SKILLS

- Restorative training
- Experience in wound care
- Experience with tracheal care
- Experience with catheter placement and care
- Experience in verifying insurance, scheduling transportation, and appointments for residents

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF ShelbyNAME OF FACILITY: Love Ones

I, Latonya Addison/Rodney James, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Rodney James Owner
Latonya Addison Owner RJ/TA
 Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 1st day of November, 2013
 witness my hand at office in the County of Shelby, State of Tennessee.

My commission expires 06-10-2014

NOTARY PUBLIC

Rosa M. Shotwell

HF-0043

Revised 7/02



COPY- SUPPLEMENTAL-1

Loved Ones

CN1309-033

SUPPLEMENTAL INFORMATION

RE: CERTIFICATE OF NEED APPLICATION CN 1309-033

LOVE ONES

1. Section A, Applicant Profile, Item 3

Please submit documentation from the Tennessee Secretary of State that acknowledges and verifies the type of ownership as identified by the applicant.

According to the applicant's partnership agreement, there are two members each owning 50% of the LLC. The document also states each partner shall be entitled to 33% of the net profits of the business. Since this is a for profit business, where will the other 33% in profits be allocated to?

Documentation verifying the type of ownership from the Tennessee Secretary of State has been submitted. Refer to attachment Section A, Applicant Profile, Item 3.

Love Ones will operate as a for profit business. Each member will receive 33% of profit; the remainder will be allocated to the business for future growth, charity patient cases, and profit sharing with employees.

2. Section A, Applicant Profile, Item 6

The letter stating Hackmeyer Properties would be willing to consider entering into a lease with the applicant is noted with a rent commencement date of December 15, 2013. However, it is unclear if the applicant demonstrates a legal interest in the property beyond December 15, 2013 if this application takes up to 60 days to be deemed complete. Please provide a fully executed (signed by both parties) Option to Lease that at least includes the expected term of the lease, the anticipated lease payments and an expiration date which demonstrates the applicant has a legal interest in the property beyond the time of the HSDA hearing of the application.

A fully executed option to lease letter has been signed by all parties, refer to attachment Section C, Applicant Profile, Item 6.

3. Section B, Project Description, Item 1

A. Please provide a description of the duties, functions and tasks which the applicant intends to perform as part of "home health nursing services".

Home health services will be provided by an appropriately licensed health care professional in accordance with orders from a physician. An (LPN) licensed practical nurse will provide direct skilled patient care to include but not limited to: medication administration and management, management of a ventilator dependent patient and their equipment, complete catherizations and manage care of the catheter to prevent infection, wound care to include

wound vac therapy, diabetes management and education, complete GTube/Mickey Button and GJtube feedings and manage care of the stoma site, management of tracheostomy to include (suctioning, trach care and trach changes) manage of IV therapy and teach/train the recipient and their families on how to manage treatment regimen. The (RN) registered nurses duties will include but are not limited to the following: make the initial evaluation visit, regularly evaluate the patient's nursing needs; initiate the plan of care and necessary revisions; provide those services requiring substantial specialized nursing skill; initiate appropriate preventive and rehabilitative nursing procedures; prepare clinical and progress notes; coordinate services; inform the physician and other personnel of changes in the patient's condition and needs; counsel the patient and family in meeting nursing and related needs; participate in in-service programs; supervise and teach other nursing personnel. The registered nurse or appropriate agency staff shall initially and periodically evaluate drug interactions, duplicative drug therapy and non-compliance to drug therapy. The (HHA) Home Health Aide duties may include the personal care, ambulation and exercises, household services essential to health care at home, assistance with medications that are ordinarily self-administered, reporting changes in the patient's condition and needs to the LPN or RN, record vital signs and completing appropriate records.

- B. Please clarify if the proposed home health agency administrator will meet the home health administrator criteria as prescribed by the Rules of the Tennessee Department of Health, Board of Licensing, Chapter 1200-08-26. Please provide an outline of the DOH home health administrator criteria and a copy of the employee's resume.

Love Ones will meet the home health administrator criteria by employing an administrator with extensive experience in home health whom will be responsible for the day to day operation of the organization. The administrator will organize and direct the organizations ongoing functions, the professional personnel and staff, employ qualified personnel, ensure adequate staff education and evaluate all personnel involved in direct patient care. Resume for the administrator is attached as Section B, Project Description, Item 1(B).

- C. The applicant is proposing a significantly wide and topographically diverse service area. Discuss how does the applicant intends to service this large geographical area from a single location in Memphis? What is the applicant's operational delivery model?

Love Ones will provide services to Shelby, Fayette and Tipton counties from our parent location in Memphis by employing qualified staff that will travel via car to patient's homes daily. Love Ones will compensate each employee mileage weekly and hold case conference meetings three times a week to effectively report, coordinate and evaluate patient's care.

- D. Please discuss how the applicant intends to develop, manage, supervise and maintain patients' plans of care.

Each patient will be accepted by Love Ones with the expectation of meeting their medical and psychosocial needs. Each patients care will follow a plan of care established by the organizations registered nurse which will be reviewed by a physician. The written plan of care will cover all pertinent diagnoses, types of services and equipment required, frequency of services, the patients functional limitations, medication and treatments required, and cover all safety measures to protect against injury. Each patient admitted to Love Ones agency will be under the supervision of a physician with a license in good standing.

- E. How does the applicant intend to implement the proposed home health agency's quality of care plan?

Love Ones will have a SN that works closely with the administrator to ensure quality of care is being implemented. The nurse and administrator will review all services provided by the organization to determine their appropriateness and effectiveness. The qualified staff will identify and correct deficiencies which undermine quality of care, evaluate the agency policies and when necessary make recommendations on changes needed to assure high standards of patient care, make critical judgments regarding quality and quantity of care through self examination.

- F. The applicant notes on page 6 there are two (2) licensed home health agencies serving Fayette and Tipton counties and over 20 serving Shelby counties. However, these are only home health agencies with a home office in these counties. According to the Department of Health there are twenty-eight (28) licensed home health agencies in Shelby County, twenty-nine (29) in Tipton County, and thirty (30) in Fayette County. Please refer to the listing attached to this letter of licensed home health agencies in the proposed three (3) county service area.

All need calculations, tables and references in the application to home health agencies will need to be revised to reflect all the licensed home health agencies in

the three (3) county service area. Please modify any utilization numbers and Projected Data Chart information, if applicable.

Seventy-five percent of the proposed project will be funded by Corporate Interior Cleaning. Please provide an overview of Corporate Interior Cleaning that includes when it was started, ownership, # of employees, and the projected gross revenue and net profit projections for 2014 and 2015.

The staffing on page 7 is noted. Please identify the four FTE contract staffing that is mentioned.

Please identify the billing agency for this proposed home health agency and their experience in billing home health charges for Medicare and TennCare.

Please provide a brief description of the owner's expertise in starting and managing a home health agency. Brief bio's outlining areas of expertise and experience of the will be helpful.

- **All charts have been revised using all licensed agencies in proposed counties.**
- **Corporate Interior Cleaning will not fund 75% of the proposed project. Funding will come from Commercial Loans.**
- **Four FTE Contract Staffing will not be utilized upon initial approval of the CON.**
- **Love Ones will utilize ME Accounting Services whom has experience in billing home health charges for Medicare and TennCare.**

Part owner LaTonya Addison has four years experience in working as a medical professional in home health. She has not only learned the medical aspect of the business but also the business aspect as well. LaTonya made herself knowledgeable of the business by attending small business startup classes, attending conferences, and sitting in on annual meetings concerning home health. LaTonya worked in group home settings, completed home visits and worked private duty nursing. Rodney James is part owner of Love Ones and has owned his own business for two years which will help with the daily

management of business operations. In addition he has worked in residential health settings since 2006. During this time he helped develop individual support plans, managed staff and successfully audited medical records.

4. Section B, Project Description, Item II B, Home Health Agencies

Please verify the applicant has reviewed the document from the Tennessee Department of Finance and Administration, Bureau of TennCare, titled "Are you thinking about applying for a CON to provide home health or Private Duty Nursing in Tennessee" located at www.tennessee.gov/hsda/news/APPLYC~1.PDF. This document is located at the Tennessee Health Services and Development Agency (HSDA) web-site. Please include the following in your response:

- Please verify the applicant intends to seek Medicare certification.

The applicant has reviewed the appropriate documents from the Tennessee Department of Finance and Administration Bureau of TennCare.

- Please verify the applicant understands even if a home agency is certified for Medicare participation and thus, eligible for participation as a TennCare provider of home health or PDN services, it does not obligate the MCO to contract with such provider.

The applicant understands that obtaining Medicare certification for participation as a TennCare provider does not obligate the managed care organization to contract with the agency.

- The document recommends talking with TennCare MCOs about their need for additional providers before you plan on TennCare reimbursements for these services. Please verify the applicant has contacted each TennCare MCO in the proposed service area and has discussed if there is an interest in contracting with another home health agency as well as TennCare reimbursement for home health services as recommended. If applicable, please provide a summary of TennCare reimbursement MCO discussions.

Part owner LaTonya Addison spoke with a TennCare representative concerning seeking TennCare certification and the need for new TennCare providers due to the current enrollees not having many choices on who they can obtain care from was told that they are trying to get as many people as possible due to the patients being limited that are currently enrolled. Spoke with a United

HealthCare representative (Meggie Tryon) concerning obtaining credentialing and the need for more participants was told that Medicare Certification must be obtained prior to seeking credentialing with them.

5. Section B, Project Description, Item II C

The applicant has referenced Attachment B, II (C) as a chart to demonstrate need for home health services in the proposed service area. Please revise this attachment to reflect home health data that includes all licensed home health agencies in the service area. In addition, please update the narrative response describing the attachment on page 9 and 10 and resubmit a replacement page.

Chart has been revised to include all licensed home health agencies in the service area. Narrative has been updated and attached. See attachment Section B, Project Description, Item II C.

6. Section B, Project Description, Item III (Plot Plan) Section B, Project Description, Item III (Plot Plan)

As required in the application for all projects, the Plot Plan must provide the size of the site (in acres), location of the structure on the site, the location of the proposed project (location of the HHA), and the names of streets, roads, highways that cross or border the site. Please provide a Plot Plan with all the required information

Plot plan has been revised, please see attachment Section B, Project Description, Item III.

7. Section B, Project Description, Item IV (Floor Plan)

Please provide a floor plan on an 8 ½' x 11" sheet of plain white paper as requested without grid lines.

Floor plan has been revised and placed on a 8x10 of plain white paper as requested, Section B, Project Description , Item IV.

8. Section C, Need Item 1 STATE HEALTH PLAN

Tennessee Code Annotated Section 68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/finance/healthplanning/>). The State Health Plan guides the state in the development of health care programs and policies and in the allocation of health care resources in the state, including the Certificate of Need program. The 5 Principles for Achieving Better Health form the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Please discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan. Each Principle is listed below with example questions to help the applicant in its thinking.

1. The purpose of the State Health Plan is to improve the health of Tennesseans.

a. How will this proposal protect, promote, and improve the health of Tennesseans over time.

1 a. The proposal of Love Ones will protect, promote and improve the health of Tennesseans by providing safe, quality and efficient care. Love Ones will improve the quality of life for each patient served by ensuring that all of their needs are met medically and psychologically. The agency will promote safety by implementing a home safety plan, promote medication management and adherence for patients who are taking several medications and are subject to medication errors. Love Ones staff will provide patients with accurate information to educate them about their medications and to monitor medication regimens. Implement a fall prevention program, 24 hour on call nursing coverage, disease management and special support services to prevent unplanned hospitalizations.

b. What health outcomes will be impacted and how will the applicant measure improvement in health outcomes?

1b. Love Ones will help individuals improve function for patients that have been injured as a result of a motor vehicle accident and will require physical therapy in order to ambulate effectively, live with greater independence (those who may require occupational therapy to complete activities of daily living post cerebral vascular accidents), promote optimal levels of well being, and avoid hospitalizations and admissions to long term care facilities. Patients will be educated on how to prevent exacerbations of disease processes. The effectiveness of the interventions will be measured on if the patient was hospitalized during a certification period. Love Ones

will use PROMs (patient reported outcome measures) to calculate the health gains before and after homehealth.

- c. How does the applicant intend to act upon available data to measure its contribution to improving health outcomes?

1c. Love Ones will utilize best practice intervention tools to ensure that all patients needs are met. Utilize quality control surveys to all patients whom have received services from the agency.

2. Every citizen should have reasonable access to health care.

- a. How will this proposal improve access to health care? You may want to consider geographic, insurance, use of technology, and disparity issues (including income disparity), among others.

2a. Love Ones will set aside a portion of profit for patients whom insurance does not cover home health care and are below poverty level. Provide patients with information about physicians who make house calls, provide social services for those who don't have reliable transportation to get to the doctor. Inform patients on ways to qualify for insurance. Love Ones will provide all health care needs to patients in their homes to ensure that they remain independent.

- b. How will this proposal improve information provided to patients and referring physicians?

2b. Love Ones will set aside a portion of profit for patients whom insurance does not cover home health care and are below poverty level. Provide patients with information about physicians who make house calls, provide social services for those who don't have reliable transportation to get to the doctor. Inform patients on ways to qualify for insurance. Love Ones will provide all health care needs to patients in their homes to ensure that they remain independent.

- c. How does the applicant work to improve health literacy among its patient population, including communications between patients and providers?

2c. Love Ones will educate the patients on disease processes in a way that they can understand and ensure their comfort by making them aware that a 24 hour nurse is available for any questions, concerns or problems that they may have. Love Ones will keep the patients involved in their care by making them aware of physicians recommendations. Improve health by consulting with the physician daily on patients care.

3. The State's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies, and the continued development of the State's health care system.

- a. How will this proposal lower the cost of health care?

3a. Love Ones will offer services at a competitive price range and only implement services that are needed and will benefit the patient.

- b. How will this proposal encourage economic efficiencies?

3b. Love Ones will provide economic efficiency by providing patients with the lowest possible cost. All resources will be allocated to serve patients in the best way possible.

- c. What information will be made available to the community that will encourage a competitive market for health care services?

3c. Love Ones will make information to the community available by educating the patient on issues that affect their health, such as diabetes, and HTN. Education and Interventions will be provided to the patients to prevent frequent hospitalizations. Love Ones will ensure quality and prevent over delivery of services and provide accurate information to the Joint Annual Report that can be reviewed by the public.

4. Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers.

- a. How will this proposal help health care providers adhere to professional standards?

4a. Love Ones will hire highly skilled professionals to provide care that exceeds health care standards. Ensure that all providers are involved in the patients care, and following protocols provided by the state. Help providers by coordinating care and providing them with daily reports on changes in patient's conditions and report unethical practices. Love Ones will ensure that all providers carry out all responsibilities in a manner consistent with quality of care and the ethical obligations of the profession.

- b. How will this proposal encourage continued improvement in the quality of care provided by the health care workforce?

4b. Love Ones will encourage continued improvement by ensuring that all medical professionals are highly skilled, and that they are provided with monthly in-services to keep their skills highly maintained. Provide physicians with correct information so that they may make a informed decision regarding the patients care. By providing quality care to all patients, educating them on disease processes, how to self manage care, interventions to avoid exacerbations, and involving families so that they may be knowledgeable and can intervene in emergency situations.

5. The state should support the development, recruitment, and retention of a sufficient and quality health care workforce.*

- a. How will this proposal provide employment opportunities for the health care workforce?

5a. Love Ones will provide employment opportunities for health care workers who have a current license with the state of tennessee, that are highly skilled, and capable of providing quality care for the proposed counties. With expansion of Love Ones, there will be more job opportunities for the health care field.

- b. How will this proposal complement the existing Service Area workforce?

5b. This proposal will complement the existing service area workforce by providing jobs to those who have a strong desire to care for others. Love Ones believe in providing care that exceeds the expectations of the community.

9. Section C, Need, Item 1.a. (Project Specific Criteria-Home Health Services) (1.-4.)

A) Your response to the items is noted. A review of the Department of Health Division for Licensing Health Care Facilities web-site indicates there are twenty-eight (28) home health agencies licensed to serve the applicant's proposed service area. The full listing is attached to this letter. This expanded listing will likely affect your calculations of gross need, the inventory of agencies which are currently serving the proposed service area, and the net need for additional agencies at this time and in the near-term future. See attachment Section C, Need, Item 1a.

B)**Guidelines for Growth Methodology:** Because the scope of the project includes the creation of an HHA, the applicant must include all existing licensed HHAs authorized to serve the Shelby, Fayette and Tipton County service area in order to apply the need formula correctly. This can be done using the following table (*please note that utilization is requested for three JAR reporting periods*). See attachment Section C, Need, Item 1b.

C)Based on the revised need formula, please discuss why the applicant feels there is a need for an additional home health service agency at this time.

According to the JAR for the past several years, the use rate has always been significantly higher than the projected need of .015. As of 9-17-13, on the joint annual report of home health agencies final use rates of the three proposed counties were: Shelby .0196, Tipton .0173, and Fayette .0163. These numbers in the last few years has not been .015 but higher. According to the use rate of each proposed area it is a need in the area of each county for 2016 if you use the use rate for Shelby alone the surplus is 28 patients over capacity. In addition, numerous patients in the community are dissatisfied with current services after going from agency to agency will be looking for a home health agency to fit their needs.

10. Section C, Need, Item 1 Specific Criteria Home Health Services, Item 5 Documentation of Referral Services Section C. Need, Item 1 (Specific Criteria: Home Health Services, Item 5 – Documentation of Referral Sources)

The applicant provided responses to the following standards but did not provide the required documentation. A majority of the documentation were letters of recommendation for the applicant co-owner. Please do not group letters together into one attachment, but rather reference attachments that corresponds to a particular criterion and/or standard.

Please provide the requested documentation addressing the following standards:

Letters:

5 (a) The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.

5(a) A letter of referral from a physician is attached, see attachment Section C, Need Item 1 5(a).

5 (c) The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

Please provide a narrative response to the following questions. Please do not refer to other parts of the application. The applicant responded to (d) with partial JAR utilization data. If the revised response includes JAR data from all licensed agencies in the service area, please submit a replacement page for pages 15-16.

5(c) Letters of potentials patient that cant secure home health services are attached as Section C, Need Item 1 (Specific Criteria: Home Health Services, Item 5 (c)).

Other

5 (b) The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial year of operation.

5(b) The projected types of cases to be referred consist of wound care, tracheostomy education and care of trach, gastrostomy tube feedings, diabetes management and education, care of patients with heart failure to prevent hospitalizations, and ventilator management to monitor respiratory status.

5 (d) The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

5(d) Love Ones will provide services that are similar to existing agencies however due to the growing need of home health care, Love Ones agency will be in great demand and will be beneficial in servicing the proposed counties. Due to the current health care reform more patients are expected to have health insurance, therefore increasing the need for more home health agencies.

Benefit Package L

A TennCare Medicaid adult age 21 or older who does not have Medicare and is enrolled in CHOICES 3. If you have questions about these benefits, talk to your health plan.

The information in the chart below is for general use only. More information on the specific coverage requirements and exclusions can be found in TennCare rules. All TennCare covered services must be medically necessary, as defined in TennCare rules See <http://tn.gov/sos/rules/1200/1200-13/1200-13.htm> for more details.

Benefits	Covered by TennCare?	Notes
Chiropractic services	No	
Community health clinic services	Yes	
CHOICES benefits (Certain Home and Community Based Services)	Yes	For more information about CHOICES, click here or go to http://www.tn.gov/tenncare/long_qualify.shtml/ .
Dental services	No	
Durable medical equipment (DME)	Yes	
Emergency air and ground ambulance	Yes	
Home health services	Yes, with limits. See Note.	Home health services for adults aged 21 and older are limited to 8 hours per day and 27 hours per week of nursing care, with a limit of 30 hours per week for enrollees who qualify for Level 2 Nursing Facility care. Home health aide and home health nursing services <i>combined</i> are limited to 8 hours per day and 35 hours per week, with a limit of 40 hours per week for enrollees who qualify for Level 2 Nursing Facility care.
Hospice care	Yes	
Inpatient and outpatient substance abuse benefits	Yes	
Inpatient hospital services	Yes	
Lab and X-ray services	Yes	
Medical supplies	Yes	
Mental health case management	Yes	
Mental health crisis services	Yes	
Non-emergency transportation	Yes	
Occupational therapy	Yes	
Organ transplant and donor procurement	Yes	
Outpatient hospital services	Yes	
Outpatient mental health services	Yes	
Pharmacy services	Yes, With Limits. See Note	Adults with Benefit Package L are limited to 5 prescriptions and/or refills per month, of which no more than 2 can be for brand name drugs. Certain exceptions may apply.
Physical therapy services	Yes	
Physician services	Yes	
Private duty nursing	Yes, with limits. See Note.	Private duty nursing services for adults aged 21 and older are limited to certain services needed to support ventilator equipment or other life-sustaining medical technology.
Psychiatric inpatient facility services	Yes	
Psychiatric rehabilitation services	Yes	

11. Section C, Need Item 1 (Specific Criteria Home Health Services) Items 6a and 6b

Your response is noted. Please provide detailed calculations of how this was determined to be \$3,666.07 per patient. Does the average cost include private pay clients?

The 3,666.07 includes private duty clients. Some patients will have multiple visits due to their physical limitations including private duty patients. We estimate that a total of 1449 visits will be made at a rate of \$120 each visit, equaling \$173,880. We will serve (2) private duty patients at a rate 36/hr for 24 hour care, equaling \$315,360. Total gross for Intermittent visits equals \$5680, at a rate of \$120 per visit, equaling 47.333 patients.

12. Section C, Need, Item 2

What relationship does this proposed project have to the applicant's long-range plans?

Long range plans for the proposed project is to provide optimal levels of care to those who are in need and to promote independence so that patients may stay in their homes. Increase the efficiency of the healthcare field and make it more affordable for patients. Increase the number of healthcare professionals that want to serve the proposed population. Due to the increase in people obtaining health insurance, there will be a greater need of health care professionals.

13. Section C, Need, Item 4a and 4b.

Your response to this item is noted. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for each county in your proposed service area.

<i>Variable</i>	<i>Shelby</i>	<i>Fayette</i>	<i>Tipton</i>	<i>Service Area</i>	<i>Tennessee</i>
<i>Current Year (CY), Age 65+</i>	104,804	6,680	7,740	119,224	6,456,243
<i>Projected Year (PY), Age 65+</i>	108,570	6,955	8,042	123,567	929,676
<i>Age 65+, % Change</i>	3.6%	4.1%	3.9%	3.6%	6.8%
<i>Age 65+, % Total (PY)</i>	4.3%	4.4%	4.3%	4.01%	7.01%

<i>CY, Total Population</i>	940,972	40,087	63,001	1,044,054	6,414,927
<i>PY, Total Population</i>	943,812	40,930	63,865	1,048,607	6,470,546
<i>Total Pop. % Change</i>	.03%	2.02%	1.31%	.04%	.02%
<i>TennCare Enrollees</i>	227,747	5,577	11,540	244,864	1,192,483
<i>TennCare Enrollees as a % of Total Population</i>	24.23%	13.9%	18.3%	23.45%	18.6%
<i>Median Age</i>	65	76	70	69	79
<i>Median Household Income</i>	46,102	54,437	50,869	154,408	43,989
<i>Population % Below Poverty Level</i>	20.1%	11.7%	15.3%	47.1%	16.9%

The applicant references Medically Underserved Areas (MUA) in the application. Specifically, what areas of the proposed service area are designated as an MUA by the United States Department of Health and Human Services?

Tipton and Shelby County are considered partially underserved and Fayette County is considered a Medically Underserved Area.

The map labeled Attachment C, 1, Need 4 (a) is blurred. Please submit a replacement.

Map has been revised and resubmitted. See Attachment C, 1, Need 4 (a).

The applicant states under the heading "Mortality Rates" there is a need for the applicant to educate on the disease process and healthy meal planning for patients with Heart, Disease, Cancer and Diabetes to decrease the # of deaths in the proposed counties. Please expand the response to include a detailed plan of how the above will occur. Also, are there any other home health providers that already educates on the disease processes and healthy meal planning?

The applicant will implement a healthy meal plan by educating the patients on importance of limiting daily consumption of salt, pork and fatty foods to prevent heart disease. A daily consumption of fast food, greasy foods and fat can clog the arteries causing heart disease and coronary artery disease. Patients will be educated on importance of choosing lean meats, chicken and fish instead of pork and beef. These daily changes in diet can help prevent heart disease. Diabetic patients will be educated on how to count carbs daily and the importance of limiting daily starches, and the importance of checking food labels for

sugar content. Cancer patients will be educated on medications that are critical in their daily fit to be cancer. They will also be taught on remedies for pain management, and ways to decrease pain daily. Other home health agencies should be educating patients on disease processes however (co-owner LaTonya Addison) being in the home health field for years have noticed many patients with knowledge deficit related to their medications, diabetics are unaware of their disease process how to manage their diabetes daily and patients with heart failure unaware of simple things such as weighing themselves daily and the importance of following a no-salt diet.

14. Section C, Need, Item 5 Private Duty Home Health

The utilization data listed in Attachment C, Need, 5 is a partial listing of home health agencies in the proposed services area. Please respond to this question using data from all licensed HHAs in the service area

Even though the JAR as of 2009 no longer reports private duty utilization by county, it is still important to know which agencies providing service in all or parts of the proposed service area are providing private duty services. Please complete the following chart for all home health agencies providing services in the proposed service area and are reporting patients/hours of service for the three most recent years available.

Most Recent Year Private Duty Utilization by HHA and Clinical Discipline in the Proposed Service Area

HHA	Skilled Nursing (patients/hours)	Home Health Aide (patients/hours)	Licensed PT,OT and Speech Therapy (patients/hours)	Other (specify)	Total-all Disciplines (patients/hours)
Elk Valley health Services Inc.	35/hr	22/hr			2 /57 hr
Intrepid USA Health Care Services	38/hr				1 /38hr
Baptist Trinity Homecare/ private pay	36/hr				1/ 36hr

INC					
No Place Like Home	38 hr	25 hr			2/ 63 hr
Total	9	8	5	7	29

15. Section C, Need, Item 6

Please provide the details regarding the methodology used to project 49 patients during the first year of operation and 98 patients during the second year of operation. The methodology must include detailed calculations or documentation from referral sources. Please clarify the reason there is only one (1) private duty patient in the projected utilization. Has that patient already been identified?

The applicant has identified a nurse practitioner whom will provide Love Ones with a minimum of 49 patients for the first year and 98 for the second year. Documentation has been submitted from this referral source with the proposal. Love Ones has identified one private duty patient in Shelby county that will be awaiting CON approval to transition to Love Ones. The attachment from the referral source has been submitted.

Please define and describe Intermittent and Private Duty services.

Intermittent services are services provided to a patient that is less than 8 hours daily. Private duty services are identified as patients whom have consistent care greater than 8 hours daily.

Please breakdown the projected utilization by discipline using the following charts:

Projected Private Duty Utilization by Discipline

Discipline	Patients Year 1	Hours Year 1	Patients Year 2	Hours Year 2
Skilled Nursing	1	8760	2	17,520
Home Health Aide	0	0	0	0
Medical Social Worker	0	0	0	0
Therapies(PT, OT, ST)	0	0	0	0
Other(specify)	0	0	0	0

Total	1	8760	2	1750
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Projected Intermittent Utilization by Discipline

Discipline	Patients Year 1	Visits Year 1	Patients Year 2	Visits Year 2
Skilled Nursing	49	1135	98	2270
Home Health Aide	15	270	30	540
Medical Social Worker	0	0	0	0
Therapies(PT, OT, ST)	0	0	0	0
Other(specify)	0	0	0	0
Total	49	1449	98	2810

16. Section C, Economic Feasibility Item 1 (Project Cost Chart)

Please clarify the reason \$150,800 in labor and supplies are listed under financing costs and fees in the Project Cost Chart. What is the labor and supplies allocated for?

Where has office furniture, fax machines, computers, etc. been accounted for on the Project Costs Chart?

\$150,800 in labor on the project cost chart was an error and has been revised .On the project cost chart, Love Ones start up cost was \$177,800. \$3000 of that amount went towards the CON filing fee, \$69,360 is allocated for the life of the lease, we will have (6) computers: (4) desktop and (2) laptops, equaling \$14,400, the fax machines, telephone, office supplies(such as staples, paper, bulletin board, shredder, locked file cabinets and etc) will equal \$8600. Furniture such as: office desk, conference room table, computer chairs, and etc will cost \$7750. Limited Liability Company fee of \$308, Licensure \$1080, Company Insurance (liability, workers comp, etc) \$28,800. The remaining capital will be used to pay payable for the year, internet/fax/phone/software, it is estimated to be \$177,800 total.

17. Section C, Economic Feasibility Item 2 (Funding)

Rodney James, owner of Corporate Interior Cleaning and 50% owner of the applicant is providing \$133,350 or 75% of the estimated project cost of \$177,800. Please address the following:

- Please provide an income statement for the January 1, 2012-December 31, 2013 fiscal year reporting period for Corporate Interior Cleaning.
- Please clarify if the \$99,525 cash on hand as June 21, 2013 is a result of the operations of Corporate Interior Cleaning. If not, what is the origin?
- Please explain the viability of Corporate Interior Cleaning if a large majority of the cash reserves are used to start another business.
- Please itemize and list all funds that will be used to provide the \$133,350 project cost.
- Why are there no liabilities for Corporate Interior Cleaning?
- Since the financial information is self-reported and unaudited, please provide a letter from a bank that attests to the availability of \$133,350 in cash.
- Corporate Interior Cleaning is described as a cleaning service in the infancy stage in the financial documentation. Please clarify.

On page 6 of the application, it is stated 25% of the Project Costs will be absorbed by the co-owner of Love Ones, LaTonya Addison. Please provide a letter from a bank that attests to the availability of \$44,450 in cash to fund the remainder of the project.

Please clarify if the Project Cost start-up funds will be paid back at a later date with interest.

The original proposal of financing no longer applies. All funding will come from loans from available financial institutions. Love Ones have spoken with several different financial institutions and have chosen a financial institution to fit our needs for business start up. See attachment Section C, Economic Feasibility Item 2 (Funding). The start-up funds will be paid back to the financial institution at an interest rate of 4.25% upon CON approval and will be included on the projected data chart under operating revenue.

18. Section C, Economic Feasibility Item 4 (Historical Data Chart and Projected Data Chart)

- ***For the Projected Data Chart, please complete the attached chart with the added line item for "Management Fees".***
- Please indicate the number of patients to be served in Year 1 and Year 2 on line A. Utilization Data. Please revise and resubmit the Projected Data Chart.
- Please place the actual year such as "2014" or "2015" in the box at the top of each column.
- The Projected Data Chart shows no Provision for Charity Care and/or Bad Debt while the applicant states on page 6 of the application "Love Ones" will not deny services based on their inability to pay". Please explain.

Charity Care/Bad Debt is identified on the projected data chart.

- Please clarify where the cost of Joint Accreditation is accounted for on the Projected Data Chart.

Joint Accreditation is accounted for under other on the projected data chart.

- How are wages for a physician and contract labor (4 FTEs) accounted for in the Projected Data Chart?

Wages for a physician and contract labor (4) FTE will not be accounted for because they will not be utilized.

- Please clarify if wages for the co-owner LaTonya Addison is accounted for in salaries and wages on the Projected Data Chart.

Co-owner LaTonya Addison is accounted for in salaries and wages on the Projected Data Chart.

- Please specify expenses of \$276,556 in Year One and \$345,695 in Year Two under D. "other expenses"

These amounts have been revised to reflect all cost.

- Please explain how rent remains the same (\$24,000) in Year One and Year Two in the Projected Data Chart when it increases from \$1,870.00 in Year One to \$1,925.00 per month in Year Two in the letter from Hackmeyer Properties.

The rent amount has been revised and placed on the Projected Data Chart.

- Please clarify if the applicant will purchase a medical electronic record keeping software program. If so, where is the cost accounted for in the Projected Data Chart?

Medical Electronic Software has been accounted for in the Projected Cost Chart.

- Please clarify if provider Liability Insurance is accounted for in the Projected Data Chart.

Liability Insurance has been accounted for on the Project Cost Chart.

- Please clarify if vehicles, maintenance and mileage are accounted for in the Projected Data Chart.

Vehicles, maintenance and mileage have been accounted for under other expenses in the projected data chart.

- Please clarify if the annual Home Health Licensure fee of \$1,080.00 is accounted for in the Projected Data Chart.

The annual Home Health Licensure fee has been accounted for under the project cost chart for year one and will be accounted for in the projected data under other for year two.

Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project.

See revised Project Data Chart.

20. Section C, Economic Feasibility Item 6 A

Please explain the methodology of how the applicant developed a charge schedule of \$22.00 per hour for Private Duty Aid, Home Health Nursing of \$120.00 per visit and Home Health Aide at \$75.00 per hour.

Home health aides per visit rate is \$75, private duty aide is \$22 per hour. The average cost for the home health agencies serving the proposed counties came from the data submitted via The Joint Annual Report. Each visit rate can be broken down into labor, mileage and supplies.

21. Section C, Economic Feasibility, Item 6 B

Please provide a comparison of the applicant facility's proposed charges to the charges of **existing facilities in the proposed service area and contiguous counties**, or to the proposed charges in recently approved projects approved by the Health Services and Development Agency.

According to the JAR, reported licensed agencies per visit charge for home health aides ranged from \$25-122 per visit and \$22 per hour. Skilled nurse visits ranged \$35-182 per visit, \$35-43/hr. The prices that are proposed will keep healthcare cost to a minimum.

Given the Medicare and Medicaid revenue projections in this application, please also compare the charges to the current Medicare allowable fee schedule and the current Medicaid allowable fee schedule.

According to the Centers for Medicare and Medicaid Services, using the Home health prospective payment system the projected 2014 per visit payment rates are \$121.23.

In your response to the above, please do not refer to charges schedules in the attachments or other home health providers located outside the proposed service area and contiguous counties.

22. Section C, Economic Feasibility, Item 7

Please discuss how projected utilization rates will be sufficient to maintain cost-effectiveness. Please expand on your response rather than stating "the utilization rates on the Projected Data Charts are sufficient to maintain cost effectiveness."

In addition, please clarify if home health patients will be transferred from other home health agencies or will be new patients to home health.

Information has been revised and page resubmitted.

23. Section C, Economic Feasibility, Item 8

Please discuss how the applicant (being a start-up company) will achieve financial viability in Year One of the proposed project.

If there is a major delay in the payment of claims in Year One, how will the applicant pay employees and sustain services to existing home health patients?

Financial feasibility will be obtained through different payor sources, private pay patients and medicare/tenncare patients. In the event of a major delay in payment of claims Love Ones will utilize reserve cash from home equity and personal cash to ensure all day to day operations flow as normal.

24. Section C, Economic Feasibility, Item 9

In Year One, the applicant is projecting 100% of revenue will come from TennCare and Medicare. On page 6 of the application, the applicant states "Love Ones will focus on the patients with private payor sources who can't find an agency to service their needs". Please complete the following chart for Year One of the proposed project.

Payor	Gross Revenue	% of Total Revenues
Medicare	138,577.60	28%
Medicaid/TennCare	207,866.80	42%
Commercial insurance	118,780.80	24%
Self-Pay	29,695.20	6%
Total	494,920	100%

The narrative response includes partial JAR data for 2012. Please revise the response to include JAR data all licensed HHAs in the service area as mentioned earlier in the supplemental response and submit a replacement page.

The narrative response has been revised and a replacement page has been resubmitted.

25. Section C, Orderly Development, Item 1

The applicant states Love Ones will contract with First Tennessee Development District Agency on Aging and Disability (FTDDAAD). Please provide an overview of FTDDAAD and what services the applicant will contract for with this agency. Please clarify if revenue from FTDDAAD is accounted for on the Projected Data Chart.

Love Ones will not seek a contract with The First Tennessee Development District Agency on Aging and Disability. Replacement page has been submitted.

26. Section C, Orderly Development, Item 2

Please revise your response to this question based on new information received from all licensed HHAs in the service area as mentioned earlier in this supplemental response and submit a replacement page.

There will be no negative effects on the health care system due to the proposal of Love Ones. The proposal of will not have a negative effect on the utilization rates for the proposed serve areas. Due to the current health care reform, home health services will be greatly needed. Upon speaking with a TennCare representative concerning potential contracts, part owner (LaTonya Addison) was told that due to the current enrollees' limitations with health care, TennCare is trying to get as many providers as possible to serve patients in the proposed areas. According to the Joint Annual Report, the three proposed service areas served 20,109 patients combined. According to the Tennessee Department of Health, Shelby County has the largest population (940,766) and the least amount of licensed agencies (28). These statistics show that there is a need for Love Ones Services. Based on the licensed agencies in the proposed areas, 30 serving Fayette county, 16 of those served TennCare recipients, 13 served Medicare HMO recipients, of the 28 agencies in Shelby county, 14 served TennCare and 11 served Medicare HMO recipients, and 29 licensed to serve in tipton and only 15 served TennCare patients and 12 served Medicare HMO patients. This shows a significant need for Love Ones to provide needed services to TennCare and Medicare HMO recipients. In addition, there are significant numbers of patients who due presumably to their payor source, find it difficult to find an existing agency to serve them. The

applicant has been told by many families and medical professionals that an additional home health agency is needed. Replacement page has been submitted.

27. Section C, Orderly Development, Item 3

Please clarify if there will be a Director of Nursing Position.

The proposal of Love Ones will have a Director of Nursing .

Please provide a copy of the professional credentials of the proposed medical director of the proposed program. If this physician is not already on board, please describe how the applicant intends to recruit the qualified medical director and other licensed staff members.

There will not be a Medical Director on staff. Each patient will be followed by their own primary care physician.

The projected data chart designates \$109,000 for salaries and wages in Year One. The proposed staffing pattern table on page 33 totals \$127,000. Please clarify and resubmit a revised Projected Data Chart if necessary.

Wages and salaries have been revised. A revised Projected Data Chart has been resubmitted.

On page 7 of the application, the applicant indicates two (2) RN positions, one (1) CNA and one (1) marketing coordinator are all full-time positions. If so, please note on the table on page 33 and submit a replacement page.

Please clarify the reason the LPN position salary is higher than the two (2) RN positions.

Has the applicant identified registered nurses that will work for \$18,000 a year?

The applicant's floor plan has two (2) cubicles for human resources and two (2) cubicles for billing. Where are these positions accounted for in the application?

Please compare the clinical staff salaries in the proposal to prevailing wages patterns in the service area as published by the Tennessee Department of Labor and Workforce Development and/or other documented sources.

If needed, please adjust the salaries to prevailing wage patterns in the proposed service area and adjust the projected data chart and resubmit.

- **Applicant will have a Director of Nursing position for the purposed agency. The applicant has a registered nurse (RN), licensed practical nurse (LPN) and a certified**

nursing assistant (CNA) on board whom all have extensive backgrounds in the medical field. All resumes and credentials are attached. Additional staff will be recruited through advertisement on line (craigslist, yahoo hot jobs and indeed.com) the commercial appeal and will also utilize medical staffing agencies over the three proposed counties. Projected Data Chart has been revised and resubmitted with updated information. Staffing Pattern Table on page 33 has been revised and resubmitted.

- Two RN positions will not be utilized. The salaries have been revised for the proposed project.
- The salaries have been revised; the proposed project will not utilize a registered nurse on a PRN basis at \$18,000 a year.
- The floor plan that was submitted for the proposed project indicated cubicles that can be utilized for human resources and billing. The cubicles will be utilized for computer usage for employees. Billing will be done by the proposed accounting firm. The clinical staff salaries have been revised and are within range with the prevailing wage patterns according to the Tennessee Department of Labor and Workforce Development.

28. Section C, Orderly Development, Item 4

According to section 484.14 (c) of the state operations manual, a HHA must have an administrator whom can be an RN with at least one year supervisory experience in home health or hospice. The applicant will employ an administrator, manager and competent staff who will meet the state standards within their licensure.

29. Section C, Orderly Development, Item 5

Please verify the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff.

The applicant has reviewed licensing certification as required by the state of Tennessee via The State Operations Manual/Personnel Qualifications and the Rules of The Tennessee Department of health board for licensing health care facilities.

According to General Provisions 484.4/Personnel Qualifications, each clinical staff member shall meet all qualifications and certifications for the state of Tennessee, the applicant will ensure that all staff members are licensed and certified.

30. Section C, Orderly Development, Item 6

Please discuss if the applicant will participate in the training of students in the areas of medicine, nursing, social work, etc.

The applicant will not participate in the training of students in the areas of medicine, nursing, social work and etc however weekly quality assurance briefings will be held for current employees to improve patients care and discuss any vital information pertaining to the patient. Monthly Skill Refresher Courses (Inservices) will be held to insure that all skills are up to date.

31. Section C, Orderly Development, Item 7 (a)

Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, and/or any applicable Medicare requirements.

The applicant has thoroughly reviewed and understands the licensing procedures made available by the Tennessee department of health chapter 1200-08-26 standards for homecare organizations providing home health services. Also reviewed and understands the PPS (prospective payment system) and its six main features for Medicare home health services. The applicant understands that Medicare pays home health agencies a predetermined base payment and that the payment is adjusted for the health condition and care needs of each beneficiary (case-mix adjustment).

32. Section C, Orderly Development, Item 7 (b)

The applicant will seek accreditation from the Joint Commission. Please indicate the timeframe for completion.

Love Ones anticipated open date will be March 2014. Part- owner spoke with Brenda Lamberti concerning Joint Commission accreditation, was told that the timeframe for completion would be 6-9 months. This will put our Joint Commission date at January 2015.

33. Project Completion Forecast Chart

The projected Agency decision date appears to be incorrect. Please revise and resubmit a replacement page.

February 2014

50:11:05
NOV 4 11:12 AMAFFIDAVIT

STATE OF TENNESSEE

COUNTY OF ShelbyNAME OF FACILITY: Love Ones

I, Latoria Addison/Rodney James, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Rodney James Owner
Latoria Addison Owner RS/TA
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 1st day of November, 2013
witness my hand at office in the County of Shelby, State of Tennessee.

My commission expires 06-10-2014

NOTARY PUBLIC

Rosa M. Shotwell

HF-0043

Revised 7/02



COPY- SUPPLEMENTAL-2

Loved Ones

CN1309-033



State of Tennessee

157

Health Services and Development Agency

Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

SUPPLEMENTAL

November 11, 2013

LaTonya Addison
LPN, Chief Officer
8855 North Cortona Circle
Cordova, TN 38018

RE: Certificate of Need Application CN1309-033
Love Ones

Dear Mr. Addison,

This will acknowledge our November 4, 2013 receipt of your supplemental response for a Certificate of Need for the establishment of a home care organization and the initiation of home health services in Shelby, Fayette, and Tipton counties. The parent office will be located at 2502 Mount Moriah, Suite A-148, Memphis (Shelby County), TN.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 12:00 p.m., Wednesday, November 13, 2013. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

1. Replacement Pages

The replacement pages provided in the first supplemental response is noted. However, the replacement pages appear to be out of the order of the application. Please review all previously submitted replacement pages and any requested replacement pages in this supplemental response to confirm the appropriate order of the application.

All Replacement pages that have been requested and previously submitted have been placed in the correct sequence. The following is a list of all replacement pages that has been submitted: 4R, 6R, 7R, 9R, 10R, 14R, 15R, 16R, 20R, 22R, 23R, 28R-38R. More information have been added causing some replacement pages to have different number.

2. Section A, Applicant Profile, Item 3

The submitted documentation from the Tennessee Secretary of State that acknowledges and verifies the type of ownership as identified by the applicant is noted. Please clarify why the Secretary of State documentation lists the suite # address as #158 and the applicant list the suite # address as #148.

The original Option to lease letter displays the correct address for the proposed project. The address has been updated and the new documentation from the Secretary of State has been attached as, Section A, Applicant Profile, Item 3.

3. Section B, Project Description, Item I

- A) How the applicant intends to implement the proposed home health agency's quality of care plan is noted? Please clarify what SN represents.

(SN) Represents the terminology "Skilled Nursing" in the proposed project.

Please confirm that all need calculations, tables and references in the application to home health agencies were revised to reflect all the licensed home health agencies in the three (3) county service area. Please modify any utilization numbers and Projected Data Chart information, if applicable.

All need calculations, tables and references in the application to home health agencies were revised to reflect all the licensed home health agencies in the three (3) county service areas. All modifications for any utilization numbers and Projected Data Chart information has been updated as needed.

On page 6R the applicant states it is estimated that the 28 licensed agencies serving Shelby County that are reporting in the joint annual reports will not be able to serve the growing number of home health care and private duty patients. Please clarify. In your response, please provide the source for the statement and any documentation to verify the statement.

According to the JAR each year the USE Rate has always been significantly higher than the projected Need. The 2012 Jar Final shows in Shelby County alone that the Use rate for 2012 were 0.0196. This calculation is .0046 more of the population than projected. Projection for future years in Shelby County alone for 2016 is a population of 949,178 with a projected use rate of .015. According to the JAR for, 2010- 2011- 2012, the actual use rate has never fallen under .0193 percent of the population. If you take into accountability the last reported percent of the populations use rate from the last 3 years of the JAR, and calculate it with the purposed population of 2016 (949178) it gives you a surplus of 27 patients higher than the projected capacity.

Also, if the existing home health agencies in the proposed three (3) county service area were to hire additional staff and expand, would this address any future patient demands?

Current HHA are looking to expand but will not be able to accommodate new patients that are needed to be seen. As a current LPN in the work force Mrs. Latonya Addison have worked for several home health agencies that has not been able to take in new patient due to the void in nursing services. Many of these agencies that Mrs. Addison has worked for have been under staffed for the overload of patients. Love Ones owners have spoken with numerous patients in the purposed counties and many disapproves of their current services. There have been recently reported cases of fraud reported and investigations open for numerous HHA for reporting visits that were not actually completed according to Medicare. gov. No charts could be found to support the information only information posted to the websites.

The staffing narrative on the number of staff provided on page 7R is not consistent with the staffing table provided on pager 33R. Please clarify.

The staffing narrative on page 7R has been modified to fit the table on page 33R and needed replacement pages have been submitted.

4. Section B, Project Description, Item II B.---Home Health Agencies

Please verify the applicant intends to seek Medicare certification.

The applicant, Love Ones, intends to seek Medicare certification. The 9 step check list for seeking Medicare certification has been reviewed by the applicant and all cost has been accounted for on the Projected Data Chart. All information for the certification has been reviewed including the submittal and acceptance of the 855A form by Centers for Medicare and Medicaid Services (CMS). Replacement page 4R

The discussion with an unknown TennCare representative stating TennCare" is trying to get as many providers as possible due to the patients being limited that are currently enrolled is noted. Please contact TennCare and provide the following:

- Documentation from a TennCare representative that home health providers are needed in the proposed service area. Please obtain the representative's name, position, date and what was discussed. If possible, please provide written documentation.

The contact with United Healthcare representative Meggie Tyron is noted. Please clarify if Meggie Tyron stated there is a need for more home health providers. If possible, please provide written documentation.

The applicant reviewed Managed Care Organizations that TennCare services are offered through and contacted the Provider Relations hotline for BlueCare. Part-owner LaTonya Addison spoke with Kotrecia Sims (Network Interface Specialist) 11/8/13 whom stated that new providers are being accepted to provide home health services to patients. Documentation has been submitted from Ms Sims via Email. Upon calling several numbers listed as MCO's for TennCare, the applicant spoke with the same representative (Kotrecia Sims) whom stated that BlueCare/TN Care Select/BCBS/ and Medicaid were all accepting new providers whom are in network. Meggie Tyron (Network Account Manager) for United Health Care stated that there is a need for more home health care providers to serve patients however the applicant must be MediCare certified to be able to contract with United HealthCare.

5. Section B, Project Description, Item IIC

The applicant has referenced Attachment B, II (C) as a chart to demonstrate need for home health services in the proposed service area. Please revise this attachment to reflect home health data that includes all licensed home health agencies in the service area only. Please do not submit home health agencies outside of you proposed service area.

Attachment B, II (C) has been revised to reflect home health data that includes all licensed home health agencies in the service area only.

Please address need for home health services in your response.

The Home health Agencies in Tennessee Number of Patients served by Payer shows a major lack in several areas such as: Private Pay, TennCare and some Medicare HMO patient payers. Love Ones understands the need for all pay sources and intends to focus on these payers as a source of revenue and to build numerous opportunities for these patients to have care. Over 33 percent alone showed 0 in Tennessee number of Patients Served by Payers under Private Care.

6. Section C, Need, Item 1.a. (Project Specific Criteria-Home Health Services) (1.-4.)

A) Your response to the items is noted. A review of the Department of Health Division for Licensing Health Care Facilities web-site indicates there are twenty-eight (28) home health agencies licensed to serve the applicant's proposed service area. The full listing is attached to this letter. This expanded listing will likely affect your calculations of gross need, the inventory of agencies which are currently serving the proposed service area, and the net need for additional agencies at this time and in the near-term future.

B) **Guidelines for Growth Methodology:** Because the scope of the project includes the creation of an HHA, the applicant must include all existing licensed HHAs authorized to serve the Shelby, Fayette and Tipton County service area in order to apply the need formula correctly. This can be done using the following table (*please note that utilization is requested for three JAR reporting periods.*

Total	87	1,044,054	20,109	0.0521	1,062,100	20,371.23	15,931.49	4439.74
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- B) Based on the revised need formula, please discuss why the applicant feels there is a need for an additional home health service agency at this time.

According to the JAR for the past several years, the use rate has always been significantly higher than the projected need of .015. As of 9-17-13, on the joint annual report of home health agencies final use rates of the three proposed counties were: Shelby .0195, Tipton .0169, and Fayette .0157. These numbers in the last few years has not been .015 but higher. According to the use rate of each proposed area it is a need in the area of each county for 2017, if you use the use rate for each county .0001 higher in the next four years. Shelby alone the surplus is 95 patients over capacity if the use rate is .0196, which is .0001 higher in 2017. Also with Love Ones focusing on private pay patients and patients that may not be approved for services but are needed this makes our services very needed in each area. Charity care and private pay sources will be a primary source for marketing for Love Ones and will focus on those patient whom are in need of care but are unable to be served due to uncontrollable circumstances In addition, numerous patients in the community are dissatisfied with current services after going from agency to agency will be looking for a home health agency to fit their needs. According to Medicare.gov there are agencies that are under investigation for falsely reporting visit. This information can be found on the website but no chart or graphs could be found to attach to the proposed project.

7. Section C. Need, Item 1 (Specific Criteria: Home Health Services, Item 5 – Documentation of Referral Sources)

Please provide the requested documentation addressing the following standards:

Letters:

5 (a) The letter from Beverly Jones, Nurse Practitioner pertaining to patient referral is noted. Ms. Jones plans to refer 15-20 patients per month to Love Ones for home health services from the emergency department and cardiology office where she is employed. How many of these patients does the applicant project will qualify for skilled home health care? What type of services will be available for these patients?

Ms Beverly Jones plans to refer 15-20 patients each month to Love Ones. The applicant projects 5 of these patients at the least will qualify for skilled home health care. The approved patients will be able to receive the following services from Love Ones skilled home health care: Wound Care, IV Therapy, Medication Administration (Injection), Medication management (educate patient and family on usage of medication and how and when to administer medication by mouth), Tube Feedings, Management of Catherized patients.

Does the applicant have letters from physicians pertaining to patient referrals? If so, please provide.

Ms. Beverly Jones will be Love Ones primary source for patient referral.

5 (c) Letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services is noted. However, please provide clarification if the patient letters provided are patients who currently do not have home health services, or are seeking a home health provider that provides a better quality of services.

The letters provided were letters from patients who are in search of a home health provider that will provide a better quality of service. In the letter the patients stated how they are not satisfied with the current care that they are receiving.

Please provide letters from providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

Other

5 (b) The types of cases physicians would refer to the proposed home health agency is noted. However, please provide the projected number of cases by service category to be provided in the initial year of operation.

The Projected number of cases by service categories are as follows: Wound Care 20 patients, Care of tracheotomy patients 5, Care of patients with Gastrostomy Tube 5, Diabetes Management and education 10, Patient with congestive heart failure 5, ventilator management and respiratory care 4 in the initial year of operation.

5 (d) Please provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies. Please revise Attachment C,I, Need C, Guideline Response 5 (d) to include home health agencies that serve only in the proposed three (3) county service area.

Attachment C,I, Need C, Guideline Response 5 (d) has been revised to include home health agencies that serve only in the proposed three (3) county service area and reattached. **Love Ones will provide services that are similar to existing agencies however due to the growing need of home health care, Love Ones agency will be in great demand and will be beneficial in servicing the proposed counties. Due to the current health care reform more patients are expected to have health insurance, therefore increasing the need for more home health agencies.**

8. Section C. Need, Item 1 (Specific Criteria: Home Health Services)- Item 6a and 6b

The average cost per patient of \$3,666.07 is noted. However, this figure appears to be incorrect. Please divide the number of patients served in Year One by the

total amount of gross revenue in the Projected Data Chart to determine the average cost per patient. Please provide a replacement page if needed for page 15R.

The Replacement page is 16R and has been attached. Updated patient average cost has been placed in the original narrative.

The applicant states two (2) private duty patients will receive 24 hour care at 36/hr, equaling \$315,360. However, two (2) patients receiving 24 hour care at 36/hr. totals \$630,720. Please clarify.

Applicant will have 1 private duty patient in year 1 equaling \$315360.

Please clarify the payer source for the two (2) private duty patients and if there are limits on private duty care provided per week.

The payer source for the private duty patient will be TennCare. Private duty nursing are cover for adults 21 and older only when medically necessary to support the use of ventilator equipment or other life sustaining medical technology when constant nursing supervision is required. Private duty nursing services are covered as medically necessary for children under the age of 21 in accordance to (EPSDT) Early and Periodic Screening Diagnosis and Screening, requirements. Also, Private duty nursing services are limited to services are limited to services provided to the recipient in its own home with the following acceptations: A recipient 21 and older who requires 8 or more hours of skilled nursing care in a 24 hour period may make use of the approved hours of the setting outside of that setting in order for the nurse to accompany the patient to outpatient healthcare services public or private school and work to his/her place of employment. This information was obtained from Tennessee Department of Finance and Administration Bureau and is also attached as, **Section C. Need, Item 1 (Specific Criteria: Home Health Services)- Item 6a and 6b**

The applicant has projected one (1) RN and (1) LPN in the staffing in Year One. However, please clarify how the applicant can provide 24 hour nursing care with only one (1) RN and one (1) LPN. If needed, please revise the staffing and projected data chart.

Projected Data Chart has been updated to reflect the correct information. Additional funds where set on the submitted documents for needed staffing as Love Ones grows. These additional hours will be used to fill in any voids that 24 hour care of our private duty patients will need as shown on the chart on 33R. This is in addition to the care the part owner and RN will be giving.

9. Section C, Need, Item 4.A. and 4.B.

Your response to this item is noted. Please project four years into the future. Using population data from the Department of Health, enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, please complete the following table and include data for each county in your proposed service area.

<i>Variable</i>	<i>Shelby</i>	<i>Fayette</i>	<i>Tipton</i>	<i>Service Area</i>	<i>Tennessee</i>
<i>Current Year (2013), Age 65+</i>	104,804	6680	7740	119,224	904,587
<i>Projected Year (2017), Age 65+</i>	120,783	7815	9083	137,681	1,015,339
<i>Age 65+, % Change</i>	3.6%	4.1%	3.9%	3.6%	6.8%
<i>Age 65+, % Total (PY)</i>	12.3%	20.1%	15.4%	15.6%	10.2%
<i>CY, Total Population</i>	940,972	40,081	63,001	1,044,054	6,414,297
<i>PY, Total Population</i>	951,669	43,819	66,612	1,062,100	6,623,114
<i>Total Pop. % Change</i>	8.7%	16%	11.5%	12%	3.4%
<i>TennCare Enrollees</i>	227,747	5,577	11,540	244,864	1,192,483
<i>TennCare Enrollees as a % of Total Population</i>	24.23%	13.99%	18.3%	23.45%	18.6%
<i>Median Age</i>	65	76	70	69	79
<i>Median Household Income</i>	46,102	57,437	50,869	154,408	43,989
<i>Population % Below Poverty Level</i>	20.1%	11.7%	15.3%	47.1%	16.9%

The applicant references Medically Underserved Areas (MUA) in the supplemental. Specifically, what areas of the proposed service area counties are designated as an MUA by the United States Department of Health and Human Services?

According to the U.S. Department of Human Services all of Fayette and Tipton Counties are considered medically underserved areas and multiple areas of Shelby County is considered medically underserved areas. Please see attachment Section C, Need Item 4a and 4b.

The map labeled Attachment C, 1, Need 4 (a) is blurred. Please submit a replacement.

Replacement page has been resubmitted

10. Section C, Need, Item 5---Private Duty Home Health

The charts noting cost per hour for the charts below are noted. However, please complete the charts by noting the number of patients and hours as requested for the proposed service area only.

Even though the JAR as of 2009 no longer reports private duty utilization by county, it is still important to know which agencies providing service in all or parts of the proposed service area are providing private duty services. Please complete the following chart for all home health agencies providing services in the proposed

					s 85 disciplines 4603/hr total
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11. Section C, Need, Item 6

Please provide the details regarding the methodology used to project 49 patients during the first year of operation and 98 patients during the second year of operation. The methodology must include detailed calculations or documentation from referral sources.

Ms Beverly Jones plans to refer 15-20 patients each month to Love Ones. The applicant projects 5 of these patients at the least will qualify for skilled home health care. The approved patients will be able to receive the following services from Love Ones skilled home health care: Wound Care, IV Therapy, Medication Administration (Injection), Medication management (educate patient and family on usage of medication and how and when to administer medication by mouth), Tube Feedings, Management of Catherized patients.

Please contact TennCare and clarify the benefit limits for Private Duty Nursing and Intermittent Care. Please discuss your findings.

TennCare was contacted several times and referred us to information from the website. This information gives all the information need to know about all limits set by TennCare. Attachment section c need item 1 specific criteria item 6a-6b

There appears to be calculation errors in the table for Projected Intermittent Utilization by Discipline. Please recalculate and submit a replacement page if necessary.

Calculations have been correct and resubmitted.

12. Section C. Economic Feasibility Item 1 (Project Cost Chart)

Please clarify the reason \$177,800 is assigned to internet/fax/phone and software on the Project Costs Chart.

\$150,800 in labor on the project cost chart was an error and has been revised .On the project cost chart, Love Ones start up cost was \$177,800. \$3000 of that amount went towards the CON filing fee, \$69,360 is allocated for the life of the lease, we will have (6) computers: (4) desktop and (2) laptops, equaling \$14,400, the fax machines, telephone, office supplies(such as staples, paper, bulletin board, shredder, locked file cabinets and etc) will equal \$8600. Furniture such as: office desk, conference room table, computer chairs, and etc will cost \$7750. Limited Liability Company fee of \$308, Licensure \$1080, Company Insurance (liability, workers comp, etc) \$28,800. The remaining capital will be used to pay payable for the year, internet/fax/phone/software,

it is estimated to be \$ 3800,21010 will be used for advertising and 14692 will be set aside for emergency situation and petty cash of 5000.

The breakdown of \$105,440 is noted in the narrative. However, it is unclear which figures are assigned to this expense category in the narrative. Please itemize the "other cost" of \$105,440 in the Project Costs Chart.

A breakdown of the Project Cost charges have been calculated. Project Cost Sheet has been resubmitted.

13. Section C. Economic Feasibility Item 4. (Historical Data Chart and Projected Data Chart)

Projected Data Chart

- Please clarify where the cost of Joint Accreditation is accounted for in the Projected Data Chart.
- Please specify the type of revenue in the Projected Data Chart for Year One and Year Two.
- Please provide totals for total operating expenses and net operating income for Year One and Two in the Projected Data Chart.
- **The applicant did not place \$59,850 of Other Operating Expenses in Year One or \$63,430 of Other Operating Expenses in Year Two on the Projected Data chart. Please account for these expenses on the Projected Data Chart.**
- Please submit a revised Projected Data Chart with the above revisions.

All Corrections have been Made to the projected data chart and resubmitted.

14. Section C, Economic Feasibility, Item 5

Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please use total gross operating revenue, total deductions and net operating revenue from the Projected Data chart in your calculations. Please revise page 27R with the new calculations.

An updated Projected Data Chart has been revised and submitted with all the necessary correction.

15. Section C, Economic Feasibility, Item 6.B.

The referred attachment of other charges of providers is noted. Please also provide a narrative comparison of the applicant facility's proposed charges to the charges of **existing facilities in the proposed service area and contiguous counties**, or to the proposed charges in recently approved projects approved by the Health Services and Development Agency.

Applicant proposal has been based off specific charges in the proposed counties. On average, the applicants charges are similar to those in the

proposed service area and will have no negative effect on healthcare. In addition, Love One charity care will be great additions to the healthcare service are because of the limited amount of people that are able to obtain quality care to fit their need.

16. Section C, Economic Feasibility, Item 7

Please clarify if home health patients will be transferred from other home health agencies or will be new patients to home health.

Love Ones project that 85 percent of total patients will be coming from the ER and will be new patients to home health. 15 percent of total patients will be transferred from existing agencies. Patients that are transferred from other agencies to project to be from reason of: fraud in care, unsatisfactory results or patient unhappy with the total care provided.

17. Section C, Economic Feasibility, Item 9

Please clarify how Attachment C, I, Need, Guidelines Response 5 (d) is a table that reflect need for home health services in the proposed three (3) county service area.

Attachment C I Need Guidelines Response 5 (d) shows each provider by payer and shows the significant amount of providers not serving private pay source. This chart also shows a significant amount of Medicare HMO patients not being served. Love Ones intend to focus on these sources to provide these patients with care. This table shows the amount of patients shows the amount of patients served in the proposed areas. The purpose of the chart was to show the Census bureau total population to the total amount of patients served in the area by payer. The chart shows the deficiencies in all pay areas and where serves are lacking according to payers.

18. Section C, Orderly Development, Item 1

The applicant states Love Ones will not contract with First Tennessee Development District Agency on Aging and Disability (FTDDAAD) is noted. However, what is the page number of the replacement page?

Replacement page has been submitted for the updated response. Replacement page 30R

Please clarify if revenue was assigned to FTDDADD referrals in the Projected Data Chart.

No revenue was accounted for from the FTDDADD referral in the Projected Data Chart. Including this in the original package was a mistake therefore no revenue was accounted for.

19. Section C, Orderly Development, Item 2

Please clarify the statement there is a need for Loved Ones services since Shelby County has the largest population (940,766) and the least amount of licensed home health agencies (28).

Narrative has been revised and replacement pages for 30 and 31 R has been submitted

Please clarify why there is a need for Love Ones Health Health since all the licensed agencies in the three (3) county area can hire additional staff and expand services to meet future need.

Current HHA are looking to expand but will not be able to accommodate new patients that are needed to be seen. As a current LPN in the work force Mrs. Latonya Addison have worked for several home health agencies that has not been able to take in new patient due to the void in nursing services. Many of these agencies that Mrs. Addison has worked for have been under staffed for the overload of patients. Love Ones owners have spoken with numerous patients in the purposed counties and many disapproves of their current services. There have been recently reported cases of fraud reported and investigations open for numerous HHA for reporting visits that were not actually completed according to Medicare. gov. No charts could be found to support the information only information posted to the websites.

What is the replacement page number for which the applicant is referring?

Replacement pages 30 and 31 R has been submitted

Please revise page 28R after completing need formula tables in question number 9 above (Section C, Need, Item 1.a. (Project Specific Criteria-Home Health Services) (1.-4.). This will provide the applicant with additional information to appropriately address this question.

All necessary replacement pages have been revised and resubmitted.

20. Section C, Orderly Development, Item 3

Please research and compare the clinical staff salaries in the proposal to prevailing wages patterns in the service area as published by the Tennessee Department of Labor and Workforce Development and/or other documented sources.

All needed staffing adjustments have been made. Part time and full time positions have been specified. Cording to the Tennessee Department of health each position salary that we have put together is in range of normal salaries for each profession. These salaries are starting pay and will increase as Love ones grows.

The table of the staffing for the proposed project is noted. However, please revise the table to indicate if the proposed positions will be part-time or full-time employment and submit a replacement page.

All Positions have been clarified on on the staffing for the proposed project and resubmitted as page 33R

If needed, please adjust the salaries to prevailing wage patterns in the proposed service area and adjust the projected data chart and resubmit.

Salaries have been adjusted to fit the proposed project and all numbers have been recalculated to fit the changes to all sections.

The applicant states resumes and credentials are attached. Only one resume is attached. Please clarify.

All resumes for proposed professional nursing and medical staffing has been attached as, Section C Orderly Development Item 3.

November 14, 2013

9:55am

NOV 14 '13 9:55

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF ShelbyNAME OF FACILITY: Love Ones

I, Latoria Addair / Rodney James, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

Latoria Addair / Rodney James
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 11 day of November, 2013,
witness my hand at office in the County of Shelby, State of Tennessee.

Rosa M. Shotwell
NOTARY PUBLIC

My commission expires 06-10-2014.

HF-0043

Revised 7/02





SEP 9 '13 PM 1:16

LETTER OF INTENT TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Commercial Appeal which is a newspaper of general circulation in Shelby, Fayette, Tipton Tennessee, on or before September 10, 2013 for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency.

Love Ones NA
(Name of Applicant) (Facility Type-Existing)
owned by: Latonya Addison / Rodney James with an ownership type of Limited Liability Company
and to be managed by: owners intends to file an application for a Certificate of Need for [PROJECT DESCRIPTION BEGINS HERE]:

Establishment of a home care organization and the initiation of home health services in Shelby, Fayette, and Tipton counties. Home office will be located at 2502 Mount Moriah Suite A-148, Memphis TN 38116. Project cost \$177,800.

The anticipated date of filing the application is: September 13, 2013
The contact person for this project is Latonya Addison LNA / Chief officer
(Contact Name) (Title)
who may be reached at: Love Ones 2502 Mount Moriah Suite A-148
(Company Name) (Address)
Memphis TN 38116 901-282-9124
(City) (State) (Zip Code) (Area Code - Phone Number)
Latonya Addison 9-5-13 11s.homecare@gmail.com
(Signature) (Date) (E-mail Address)

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.



SEP 9 '13 PM 1:16

PUBLICATION OF INTENT TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The following shall be published in the "Legal Notices" section of the newspaper in a space no smaller than two (2) columns by two (2) inches.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 et seq., and the Rules of the Health Services and Development Agency,

that: Love Ones NA
(Name of Applicant) (Facility Type-Existing)
owned by: Latonya Addison/Rodney James with an ownership type of Limited liability company
and to be managed by: Others intends to file an application for a Certificate of Need

for (PROJECT DESCRIPTION BEGINS HERE):
Establishment of a home care organization and the initiation of home health services in Shelby, Fayette, and Tipton counties. Home office will be located at 2802 Mount Moriah Suite A-148, Memphis, TN 38116. Project cost \$177,800

The anticipated date of filing the application is: September 13 20 13
The contact person for this project is Latonya Addison LPN/Chief Officer
(Contact Name) (Title)
who may be reached at: Love Ones 2802 Mount Moriah Suite A-148
(Company Name) (Address)
Memphis TN 38116 901-282-9124
(City) (State) (Zip Code) (Area Code Phone Number)

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
The Frost Building, Third Floor
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37243

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

February 11, 2014

VIA HAND DELIVERY

Melanie M. Hill
Executive Director
Tennessee Health Services and
Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Loved Ones, CN1309-033

Dear Ms. Hill:

This letter is submitted on behalf of Baptist Memorial Home Care, Inc., and its home health agencies serving Shelby, Tipton and Fayette Counties.

Baptist Memorial Home Care and its affiliated home health agencies are opposed to the application referenced above. There is an abundance of home health agencies serving the three counties in question. The certificate of need application submitted by Loved Ones does not meet the criteria for approval and it should be denied.

We would appreciate your making this letter available to Agency members.

Very truly yours,

BUTLER SNOW LLP



Dan H. Elrod

clw

[illegible]

Enclosures



February 10, 2014

Melanie Hill
Executive Director
Tennessee Health Services & Development Agency
Andrew Jackson State Office Bldg., Ninth Floor
502 Deaderick Street
Nashville, TN 37243

**RE: Love Ones Home Health Agency
Certificate of Need Application CN1309-033**

Dear Ms. Hill:

On behalf of Methodist Le Bonheur Healthcare in Memphis, Tennessee, please allow me to express our opposition to the above-referenced certificate of need application. There is no need for this project because there are plenty of home health agencies in the market with capacity. In addition, the financial projections in the application do not seem realistic based on our knowledge of current reimbursement levels and our long-term experience in the market. Our concerns with this application are explained further below.

Methodist Alliance Home Care (Methodist Alliance) is a not-for-profit agency that operates a full range of home health services. These include skilled nursing care, home health aide care, medical social visits and physical, occupational and speech therapies. Methodist Alliance is a wholly-owned subsidiary of a broader parent organization, Methodist Le Bonheur Healthcare, which is a not-for-profit corporation with health care interests in Tennessee, Mississippi and Arkansas. With over 30 years of home care experience in the Mid-South (our service area includes Shelby, Fayette, Tipton counties in Tennessee and DeSoto, Marshall, Tunica and Tate counties in Mississippi), Methodist Alliance has an in-depth understanding of the market and local payors. We are credentialed to provide services for Medicare, Medicaid, TennCare and a large number of commercial insurance companies although at the present time the only TennCare patients we see are children and adolescents. We are accredited by Community Health Accreditation Program, Inc. and adhere to strict quality standards in providing a full array of home care services.

In addition to Methodist Alliance, there are over 20 home health agencies based in Memphis, Tennessee that serve the home care needs in Shelby County and the surrounding counties - many of whom currently serve the TennCare, Medicare HMO and Private Pay populations. Methodist Alliance serves the uninsured/indigent patients that are discharged from our hospitals as does Baptist Trinity Home Care for the Baptist Memorial Health Care System. We believe home care patients in the community are sufficiently treated by existing agencies.

Alliance Health Services

Home Care • Home Medical Equipment • Hospice
6400 Shelby View Drive • Suite 101 • Memphis, Tennessee 38134 • 901-516-1400

Furthermore, the financial plan put forth by the Love Ones Home Health Agency does not seem viable. We are concerned for the financial stability of this project and this applicant. As a health care system with a long history of caring for and ministering to patients and families regardless of their ability to pay, we cannot support this application – although it appears the applicant is well-intentioned. The application bases almost half of a new agency's financial stability on Private Pay (6%) and TennCare (42%) patients (see page 60 Supplemental #3) which is tenuous. Actually, the majority of the revenue appears to be substantiated by a single Private Duty patient covered by TennCare (see page 37 Supplemental #3). In our efforts to validate the financial assumptions, we were unable to determine the logic to support the revenue projections and found the tables to be inconsistent in the counts of patients and visits throughout the application (see pages 44-46 Supplemental #3). The financial information is inconsistent and contradictory. The visits by county table and visits/patients by discipline table do not tie, and the visits by discipline chart does not foot to totals.

One additional area of concern is the number of authorized/paid visits projected for years 1 and 2. Historically, Methodist Alliance sees approximately 6-10 visits per patient authorized/paid by Commercial and TennCare payors; and approximately 11-12 visits per 60-day episode for Medicare patients. The Love Ones application projects an average of 30-31 visits per patient will be authorized and reimbursed (see page 45 Supplemental #3 stating 1,497 intermittent home care visits for 49 patients = 30.55 visits per patient). The estimates seem unrealistically high and unattainable.

We do not believe the Love One Agency will be financially stable to adequately care for their patient population. Limited resources, poor/tenuous payment structure and intense regulatory oversight will create an environment which is not sustainable for this proposed project.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Sally Aldrich', written in dark ink.

Sally Aldrich, RN, MSN
President, Alliance Health Services, Inc.
Home Care, Home Medical Equipment, Hospice & Palliative Services
Methodist Le Bonheur Healthcare



15:58:57
FEB 12 '14

February 7, 2014

Melanie Hill
Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Building
Nashville, TN 37243

Re: Loved Ones, CN1306-033

Dear Ms. Hill:

We are submitting this letter in opposition to the certificate of need application referenced above.

Interim Healthcare of Memphis is a licensed home health agency authorized to serve Shelby, Tipton and Fayette counties. A substantial portion of the patients we serve are TennCare private duty patients, and we also serve Medicare and other patients. There are other agencies also serving patients in these three counties.

There is no need for additional home health agencies to serve the counties in question. The application submitted by Loved Ones does not meet any of the criteria for approval, and we urge the Agency not to deny the project.

We appreciate the Agency considering our views on this matter.

Very truly yours,

INTERIM HEALTHCARE OF MEMPHIS INC.

Sheila Varadi, RN BS
Administrator

February 11, 2014

Ms. Melanie Hill, Executive Director
Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: Love Ones Home Health, CN1309-033 **OPPOSITION LETTER**

Dear Ms. Hill:

We are aware of the intent of Love Ones Home Health Care Agency (LOHHA) to establish a new full service Home Health Care organization and to provide services to Fayette, Shelby and Tipton Counties. **Because the home health care need formula applied in the State of Tennessee does not show a need for the aforementioned application, approval of said application would not only duplicate existing services, but also adversely impact the existing home health care delivery system. Therefore, I am writing this letter in opposition to the referenced project pursuant to T.C.A., Section 68-11-1609(g) (1).**

Ms. Hill, as an existing provider in the target market, I have firsthand knowledge that market area home health care needs are being met by our agency and other licensed agencies as well. The RHH proposed project is not consistent with the State's need formula and which shows excess capacity of (4,438) in the LOHHA service area, as projected to four years into the future to 2017 by the Department of Health, Division of Health Statistics. Consequently, LOHHA is not orderly and will adversely impact other existing providers if approved. Lastly, we question the projects financial feasibility. We contend that the project fails to meet any of the three criteria and standards required for CON approval.

The addition of another agency will not only duplicate and drive up the cost for services already provided, but it will also adversely deplete the existing nursing pool of trained nursing professionals. The applicant provided form letters that support its proposed agency, even though the actual need and projected need formula do not support a new agency. This is further evidence that LOHHA's CON does not promote the orderly development of health care. A redistribution of patients to an agency that is not needed further dilutes the patient pool, the staffing pool and consequently does not promote the orderly development of health care.

As to the issue of need, based on the current home health care need formula, as applied by the TN Department of Health, there exists a surplus of (4,438) patients served in the applicant's three county service area, according to the applicants own CON application, supplemental #2. This is based on the Joint Annual Reports for 2012 and population projections for the year 2017.

In summary, I am opposed to this CON and ask that it not be approved. There are already more than adequate existing providers delivering high quality home health services to populations of all race and payor source. If you need any additional information please do not hesitate to call me.

Sincerely,

NHC/OP, L.P. d/b/a NHC HomeCare, Somerville

A handwritten signature in cursive script that reads "Pamela Owens".

Pamela Owens, RN MSN MBA CHCE
Director, Clinical Services

Cc: Ms LaTonya Addison
2502 Mount Moriah, Suite A-148
Memphis, TN 38115

Kim Harvey Looney
615.850.8722 direct
kim.looney@wallerlaw.com

February 12, 2014

VIA HAND DELIVERY

Ms. Melanie Hill
Executive Director
Health Services and Development Agency
9th Floor
502 Deaderick Street
Nashville, Tennessee

Re: Love Ones CN1309-033

Dear Melanie:

This is to provide official notice that our client, Almost Family, wishes to oppose the application of Love Ones, Memphis for the establishment of a home care organization and the initiation of home health services in Shelby, Fayette, and Tipton counties. This application will be heard at the February meeting.

Almost Family respectfully requests that the HSDA deny this request. If you have any questions, please give me a call at 850-8722.

Sincerely,

Kim
By: Brent Hill w/ permission
Kim Harvey Looney

KHL:lag

cc: Todd Lyles, Almost Family
LaTonya Addison, Love Ones

**CERTIFICATE OF NEED
REVIEWED BY THE DEPARTMENT OF HEALTH
DIVISION OF POLICY, PLANNING, ASSESSMENT
OFFICE OF HEALTH STATISTICS
615-741-1954**

DATE: January 30, 2014

APPLICANT: Love Ones, LLC
2502 Mount Moriah Road, Suite A-148
Memphis, Tennessee 38115

CON#: CN1309-033

CONTACT PERSON: LaTonya Addison, LPN Chief Officer
Love Ones
2502 Mount Moriah Road, Suite A-148
Memphis, Tennessee

COST: \$177,800

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Policy, Planning, and Assessment-Office of Health Statistics reviewed this certificate of need application for financial impact, TennCare participation, compliance with the *Tennessee State Health Plan*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:

The applicant, Love Ones, LLC, seeks Certificate of Need (CON) approval to initiate home health agency services to the residents of Fayette, Shelby and Tipton counties. The applicant is owned by LaTonya Addison and Rodney James. The total project cost is \$177,800 and will be funded through commercial loans as noted by the applicant on page 10 of Supplemental #3. The proposed facility will be leased from Hackmeyer Properties and will contain 1,728 square feet of space.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document the *Tennessee State Health Plan*.

NEED:

The applicant's service area includes Fayette, Shelby and Tipton counties. The chart located below illustrates the population projected four years into the future.

Service Area 2013 and 2017 Population Projections

County	2013 Population	2017 Population	% Increase/ (Decrease)
Fayette	40,081	43,819	9.3%
Shelby	940,972	951,669	1.1%
Tipton	63,001	66,612	5.7%
Total	1,044,054	1,062,100	1.7%

Source: *Tennessee Population Projections 2010-2020, June 2013 Revision*, Tennessee Department of Health, Division of Policy, Planning, and Assessment-Office of Health Statistics

The applicant projects it will serve 49 patients in year one and 98 patients in year two of the project.

TENNCARE/MEDICARE ACCESS:

The applicant reports it is actively seeking both Medicare and TennCare certification and, as reported by the applicant, intends to apply for provider status with all TennCare MCOs in the proposed service area as noted on pages 15 and 16 of Supplemental 3. The applicant believes it can provide home health services to underserved groups such as TennCare recipients, persons participating in Medicare HMO services, private pay clients and the indigent population that have little access to home health services in this service area.

The applicant anticipates gross revenues from Medicare will total \$138,577.60, TennCare revenues will total \$207,866, revenues from private pay will be \$29,695.20, and revenues from commercial insurance will total \$118,780.80. Medicare, according to the applicant, will represent 28% of total revenue, TennCare will represent 42%, Commercial Insurance will represent 24% and Self-Pay will represent 6%.

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:

The Department of Health, Division of Policy, Planning, and Assessment has reviewed the Project Costs Chart, the Historical Data Chart, and the Projected Data Chart to determine if they are mathematically accurate and the projections are based on the applicant's anticipated level of utilization. The location of these charts may be found in the following specific locations in the Certificate of Need Application or the Supplemental material:

Project Costs Chart: The Project Costs Chart is located following page 48 in Supplemental 3 of the application. The project's total estimated project cost is \$177,800.

Historical Data Chart: The applicant does not have a historical data chart because it is seeking CON approval to create a new home health agency.

Projected Data Chart: The Projected Data Chart is located in Supplemental 3 on page 56 of the application. The applicant projects 49 patients in year one and 98 patients in year two with a net operating income of \$13,044.20 and \$22,499.30 each year, respectively.

The applicant reported that the average daily charge for a Private Duty Aide will be \$22 per hour, for Home Health Nursing it will be \$120 per visit, for the Home Health Aide it will be \$75 per visit and for Private Duty Nursing it will be \$36 per hour. The applicant will also provide, on a limited basis, care for one ventilator dependent person in year 1, which they estimate will result in total revenue of \$315,360 from TennCare, as cited on page 37 of the third Supplemental. The TennCare gross revenue in the first year of operation will total \$207,866.40 on page 60 of the third Supplemental. It is not certain, based upon the applicant's statements, what the relationship between the private pay TennCare revenue and other TennCare revenue is based upon at this time.

As stated in the third Supplemental, the average gross charge per patient in year 1 is estimated to be \$10,100, the average deduction from operating revenue is \$1,908 and the average net charge is \$8,192. The applicant notes in the same response that the average gross charge per patient in year 1 is \$6,313, the average deduction from operating revenue is \$1,438 and the average net charge is \$1,114. The correct average net charge would appear to be \$4,875 if the applicant's other assumptions were correct. The applicant did not note what the year 2 revenue represents, unless year 2 is actually the second year 1 data. Clarification of these matters would assist in understanding the charge data for both years.

The applicant stated there were no less costly, more effective, and/or more efficient alternative methods of providing benefits to the residents of the service area, especially for TennCare patients and Medicare HMO patients as well as patients with commercial insurance. The intent, as voiced by the applicant, is to fill the gaps in the home health delivery system addressing the need to serve

the poor who historically have a difficult time receiving care and may not have insurance of any kind.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:

The applicant intends, if this CON application is approved, to apply for Medicare and TennCare/Medicaid certification. Love Ones plans to contract with BlueCare, TennCare Select and United Healthcare.

The applicant contends there will be no negative impact upon the home healthcare delivery system due to this CON application. There is the possibility the impact of the Affordable Care Act will result in the need for additional home health services as patients are being discharged from area hospitals, according to the applicant on page 60 of Supplement #3.

The applicant will seek licensure from the Tennessee Department of Health and accreditation from the Joint Commission on Accreditation of healthcare Organizations.

The anticipated staffing pattern initially will consist of one (1) FTE RN, one (1) FTE LPN, one (1) PTE CNA and one (1) FTE Marketing Coordinator. Additional nursing staff will be hired depending upon the caseload as it ramps up. It was not clear from the applicant's statements on page 63 of the third Supplemental whether the home health aide would be a part time or a full time position.

The applicant stated on page 63 of the third Supplemental it would employ an Administrator whom can be a RN with at least one year's supervisory experience as noted in the State Operations Manual section 484.14 (c). The applicant goes on to state on page 64 of the third Supplemental that it would hire an Administrator, a Manager and competent staff who will meet the state standards and be appropriately licensed and/or certified within their respective fields.

Note to Agency Members: Based upon the review of this CON application the Tennessee Department of Health, Division of Policy, Planning and Assessment-Office of Health Statistics notes the staffing pattern by clinical disciplines and does not specify which clinical position would hold the position of Administrator and what clinical position would hold the Manager position. It is not clear whether the Director of Nursing would be in either position and how the LPN/Owner/Administrator would relate clinically to the DON, as the owner is expected to work as a LPN as well as run the company. It is also unclear whether the CNA position and the attendant \$16,000 salary represent another staff position in addition to that of the LPN Owner.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the *Tennessee State Health Plan*.

HOME HEALTH SERVICES

1. The need for home health agencies/services shall be determined on a county by county basis.

The July, 2013 population series prepared by the Tennessee Department of Health, Division of Policy, Planning and Assessment-Office of Health Statistics was utilized as the basis for the home health need projections.

2. In a given county, 1.5 percent of the total population will be considered as the need estimate for home health services in that county.

The 1.5 percent formula will be applied as a general guideline, as a means of comparison within the proposed service area.

The Tennessee Department of Health, Division of Policy, Planning and Assessment-Office of Health Statistics utilized the 1.5% formula as the need estimate for home health services in the proposed three (3) county service area.

3. Using recognized population sources, projections for four years into the future will be used.

The 2013 population series was projected four (4) years into the future by the Tennessee Department of Health, Division of Policy, Planning and Assessment-Office of Health Statistics.

4. The use rate of existing home health agencies in the county will be determined by examining the latest utilization rate as calculated in the Joint Annual Report of existing home health agencies in the service area.

Based on the number of patients served by home health agencies in the service area, an estimate will be made as to how many patients could be served in the future.

The following chart illustrates the projected surplus of home health patients in Fayette, Shelby and Tipton counties:

Home Health Patients and Need in Service Area

County	2012 Population	2012 Patients Served	2017 Population	Projected Capacity	1.5% of 2017 Population	Need/(Surplus) 2017
<i>Fayette</i>	39,277	631	43,819	704	657	(47)
<i>Shelby</i>	938,059	18,411	951,669	18,678	14,275	(4,403)
<i>Tipton</i>	62,146	1,067	66,612	1,144	999	(144)
Totals	1,039,482	20,109	1,062,100	20,526	15,931	(4,594)

Source: Tennessee Population Projections 2010-2020, July, 2013 Revision, Tennessee Department of Health, Division of Policy, Planning and Assessment and the Joint Annual Report of Home Health Agencies, 2012 (Final).

Note to Agency Members: The applicant prepared a chart which can be found on page 34 of Supplemental #3 documenting the home health need in the proposed service area.

However, this chart used the 2013 population estimate instead of the 2012 population estimate. The Tennessee Department of Health, Division of Policy, Planning and Assessment-Office of Health Statistics notes this error results in an incorrect need estimate by the applicant. The applicant's need calculation results in a need estimate of 4,439.74, as calculated by the applicant.

The applicant's calculations reflect a need for home health services in the service area. However, the Tennessee Department of Health, Division of Policy, Planning and Assessment-Office of Health Statistics notes the applicant did not indicate that the actual calculation would result in a surplus, not a need for home health services, even using their figures.

5. Documentation from referral sources:
 - a. The applicant shall provide letters of intent from physicians and other referral sources pertaining to patient referral.

The applicant provides information regarding referral sources on page 60 of Supplemental #3 and on page 35.

- b. The applicant shall provide information indicating the types of cases physicians would refer to the proposed home health agency and the projected number of cases by service category to be provided in the initial year of operation.

The applicant responded to this question on page 36 of Supplemental #3.

- c. The applicant shall provide letters from potential patients or providers in the proposed service area that state they have attempted to find appropriate home health services but have not been able to secure such services.

The applicant responded to this question on page 36 and page 60 of Supplemental #3. The letters are from current home health service recipients who desire improved quality of care than can be provided by their current home health agency.

- d. The applicant shall provide information concerning whether a proposed agency would provide services different from those services offered by existing agencies.

The greatest service area needs are found on page 36 of Supplemental #3. They are as follows, TennCare private duty patients and Medicare HMO patients. The anticipated revenue from one (1) TennCare private duty patient, as noted by the applicant, would be \$315,360. The anticipated demand by Medicare HMO patients was not clearly defined by the applicant or differentiated from other potential Medicare recipients. The impact of the Affordable Care Act was noted but details were not specified.

- 6. The proposed charges shall be reasonable in comparison with those of other similar facilities in the service area or in adjoining service areas.

- a. The average cost per visit by service category shall be listed.

The average cost per visit by service category can be found on page 37 of Supplemental #3.

- b. The average cost per patient based upon the projected number of visits per patient shall be listed.

The average cost per patient based upon the projected number of visits can be found on page 37 of Supplemental #3. These calculations may not reflect the impact of the prospective payment system and the case mix of each prospective patient.

